D05.SI gideon lens

DBS Group Holdings Ltd (D05.SI) - Gideon Lens

Production ER2 report date: 2026-08-26 **Price anchor:** SGD 76.40, XSES:D05 last completed close on 2026-08-25 **Operating anchor:** TTM ended 2026-06-30 **Exact underwriting horizon:** 2031-06-30, 5.0 years **Reporting and return currency:** SGD

Verdict: PASS

Scorecard:

Gate	Result	Notes
Management	YELLOW	Strong stewardship; CEO tenure and technology remediation remain unresolved
Moat	YELLOW	Relationship moat credible; 2046 interface-disintermediation test remains YELLOW
P/E <= 15 on confident EPS at TTM + 5 calendar years	FAIL	Base EPS SGD 4.531; P/E-15 value SGD 67.97, cushion -11.03%
Compounder Score	Audited 51 / 100	Reject; credible bank economics do not offset current-price returns
Business Quality Score	Audited 47 / 80	Good capital and funding, but incomplete marginal-return evidence
20% Return UW Score	Audited 4 / 20	Base -1.77%; even Bull reaches only +4.64% gross

One-line reason to pass: DBS is a high-quality regional bank, but two qualitative gates remain unresolved and SGD 76.40 capitalizes more durability and return than the governed five-year evidence supports.

The conclusion is not that DBS lacks a franchise. CBWM and Institutional Banking anchor an unusually strong Asian deposit, payments and wealth ecosystem; CET1, liquidity and credit metrics are robust; and management has demonstrated disciplined capital return. The conclusion is that the listed security is priced far beyond the return bridge supported by normalized parent-common economics. The base scenario grows 2031 parent-common net income to SGD 12.966 billion and diluted EPS to SGD 4.531, yet the independently selected 1.75x exit P/B and cumulative distributions produce terminal shareholder wealth of only SGD 69.87 per share versus a current price of SGD 76.40.

The exhaustive ER2 rule makes the underwriting verdict PASS: Management is YELLOW, Moat is YELLOW, and the P/E-15 entry-price gate FAILS. The diagnostic score does not override those three gates. It reinforces the same conclusion: 51/100 overall, 47/80 for business quality and only 4/20 for return underwriting.

Security return underwriting

Measure	Result	Notes
Primary valuation method	P/B-ROE	One audited PB_ROE method controls every scenario, probability weighting, reverse return and net-SGD diagnostic
Current price and horizon	SGD 76.40; 2026-06-30 to 2031-06-30	Exact 5.0-year horizon; quote session 2026-08-25
Scenario probabilities	Bear 30% / Base 50% / Bull 20%	Same weights used for expected terminal wealth and net-SGD
Gross local-currency bear / base / bull IRR	-10.49% / -1.77% / +4.64%	Finite annualized SGD shareholder returns including distributions
Probability-weighted gross local-currency IRR	-2.51%	CAGR of SGD 67.269962 expected terminal wealth, not an average of scenario IRRs
Return bridge	Parent common equity -> BVPS -> exit P/B -> share value + distributions	Terminal share values SGD 34.85 / 56.25 / 77.63; distributions SGD 9.04 / 13.62 / 18.19; terminal wealth SGD 43.90 / 69.87 / 95.83
Diluted shares at horizon	2,861.256545 million	Same listed-equivalent share basis in all scenarios; opening forward diluted shares 2,850.0 million

Measure	Result	Notes
Net cash/debt and senior claims	No separate adjustment	Deposits, debt, leases, AT1, NCI and other bank claims are reflected once in earnings or excluded from parent-common book; no cash/debt value is added after BVPS x P/B
Exit valuation	1.10x / 1.75x / 2.50x P/B	Independently justified before returns; all below current direct parent-common P/B of 3.094x

The controlling valuation preflight was resealed after the red team identified a terminal payout/growth disclosure gap. The repaired artifact now distinguishes the 2027-2031 payout ratios of 55% / 65% / 75% from mature post-2031 payouts of 81.364096% / 82.720097% / 83.438749%. Those mature payouts make retention times terminal ROE equal the stated 2.0% / 2.5% / 3.0% long-run growth rates. VP, CS, CSA and RT reran in order; the red team classified the objection MATERIAL_RESOLVED. The exit P/Bs and returns remained unchanged.

The tables below show gross SGD underwriting. Net-SGD adjustments appear separately in CIO actionability. DBS is not an insurer, so retained-investment and fee-platform rows are not applicable; the full parent-common-equity roll-forward remains mandatory.

Bear-case operating and return bridge

Bear case	Start (2026-06-30)	Horizon (2031-06-30)	CAGR / change	Justification
Retained investments	Not applicable	Not applicable	Not applicable	Non-insurer bank; deposits and investments are operating assets, not a separate retained-insurer bridge
Retained net investment income	Not applicable	Not applicable	Not applicable	Bank net interest income is already captured in segment total income and PBT
Parent-owned operating income excluding fees	Not applicable	Not applicable	Not applicable	Statutory parent-common earnings, not an insurer operating-perimeter bridge, control
Fee income counted once	Included in bank earnings	Included in bank earnings	Counted once	Wealth and transaction fees remain inside segment PBT and parent-common net income
Normalized common net income	SGD 11.221bn	SGD 9.507bn	-3.26%	Deposit-spread, fee-yield and credit normalization pressure CBWM and IBG
Beginning common equity	SGD 70.166bn	SGD 70.166bn anchor	-	Parent ordinary shareholders' funds exclude SGD 0.051bn NCI and AT1
Cumulative common net income	-	SGD 46.968bn	cumulative	Five annual parent-common earnings rows from reviewed segments, CSR, tax and NCI
Common dividends	-	SGD 25.832bn	cumulative	55% forecast-period payout; post-2031 mature payout 81.364096%
Common-share repurchases net of issuance	-	SGD 0.225bn repurchases / SGD 1.085bn issuance	cumulative	Cash repurchases reduce equity; SBC issuance and expense are counted once
OCI and other common-equity movements	-	-SGD 1.500bn	cumulative	SGD 0.300bn annual adverse direct-equity movement; impairments remain in earnings
Terminal common equity	SGD 70.166bn	SGD 90.661bn	+5.26%	Complete zero-residual parent-common-equity roll-forward
Diluted common share count	2,850.000m	2,861.257m	+0.08%	Annual issuance exceeds small, source-bound repurchases
Book value per common share	SGD 24.620	SGD 31.686	+5.18%	Parent common equity divided by diluted common shares
Normalized common ROE	17.50%	10.73%	-6.77 pp	Bear earnings normalize well below the current high-return period

Bear case	Start (2026-06-30)	Horizon (2031-06-30)	CAGR / change	Justification
Valuation	3.094x P/B	1.10x P/B	-1.994x	Near DBS's historical trough and the 1.027x coherent Gordon identity
P/E cross-check	19.40x	10.49x	-8.91x	Terminal share value divided by positive statutory diluted EPS
Share value	SGD 76.40	SGD 34.854	-14.53% CAGR	Terminal BVPS x 1.10x; no separate cash, debt or fee-platform adjustment
Cumulative distributions	-	SGD 9.043/share	cumulative	Common dividends converted to the same listed-equivalent share basis
Total ending value	SGD 76.40	SGD 43.897/share	-10.49% gross SGD IRR	Terminal share value plus cumulative distributions

Base-case operating and return bridge

Base case	Start (2026-06-30)	Horizon (2031-06-30)	CAGR / change	Justification
Retained investments	Not applicable	Not applicable	Not applicable	Non-insurer bank; no separate managed-versus-retained asset bridge
Retained net investment income	Not applicable	Not applicable	Not applicable	Bank NII is already captured in segment total income and PBT
Parent-owned operating income excluding fees	Not applicable	Not applicable	Not applicable	Parent-common net income controls the equity roll-forward
Fee income counted once	Included in bank earnings	Included in bank earnings	Counted once	Wealth and transaction fees remain inside statutory earnings
Normalized common net income	SGD 11.221bn	SGD 12.966bn	+2.93%	CBWM, IBG and fee growth offset rate normalization without repeating central gains
Beginning common equity	SGD 70.166bn	SGD 70.166bn anchor	-	Parent ordinary shareholders' funds exclude NCI and AT1
Cumulative common net income	-	SGD 59.851bn	cumulative	Five annual parent-common earnings rows, no terminal plug
Common dividends	-	SGD 38.903bn	cumulative	65% forecast-period payout; post-2031 mature payout 82.720097%
Common-share repurchases net of issuance	-	SGD 0.225bn repurchases / SGD 1.085bn issuance	cumulative	Repurchase cash and share effects reconcile; SBC is not ignored
OCI and other common-equity movements	-	SGD 0.000bn	cumulative	Neutral normalized direct-equity path; impairments stay in PBT/NI
Terminal common equity	SGD 70.166bn	SGD 91.974bn	+5.56%	Complete zero-residual parent-common-equity roll-forward
Diluted common share count	2,850.000m	2,861.257m	+0.08%	Same reconciled dilution path in every scenario
Book value per common share	SGD 24.620	SGD 32.145	+5.48%	Parent common equity divided by diluted common shares
Normalized common ROE	17.50%	14.47%	-3.03 pp	Through-cycle ROE remains strong but below the current period
Valuation	3.094x P/B	1.75x P/B	-1.344x	Close to 1.710x coherent Gordon identity and DBS FY2024 P/B
P/E cross-check	19.40x	12.41x	-6.99x	PB_ROE controls; P/E is a same-perimeter diagnostic only
Share value	SGD 76.40	SGD 56.253	-5.94% CAGR	Terminal BVPS x 1.75x; no extra cash/debt adjustment

Base case	Start (2026-06-30)	Horizon (2031-06-30)	CAGR / change	Justification
Cumulative distributions	-	SGD 13.617/share	cumulative	Dividends counted once in terminal shareholder wealth
Total ending value	SGD 76.40	SGD 69.870/share	-1.77% gross SGD IRR	Terminal share value plus cumulative distributions

Bull-case operating and return bridge

Bull case	Start (2026-06-30)	Horizon (2031-06-30)	CAGR / change	Justification
Retained investments	Not applicable	Not applicable	Not applicable	Non-insurer bank; no separate retained-insurer investment perimeter
Retained net investment income	Not applicable	Not applicable	Not applicable	Bank NII is already embedded in reviewed segment earnings
Parent-owned operating income excluding fees	Not applicable	Not applicable	Not applicable	Parent-common net income controls the shareholder bridge
Fee income counted once	Included in bank earnings	Included in bank earnings	Counted once	Wealth and transaction fees flow once through PBT and common earnings
Normalized common net income	SGD 11.221bn	SGD 15.715bn	+6.97%	Sustained wealth, transaction and customer-franchise gains with benign credit
Beginning common equity	SGD 70.166bn	SGD 70.166bn anchor	-	Parent ordinary shareholders' funds exclude NCI and AT1
Cumulative common net income	-	SGD 69.309bn	cumulative	Five annual parent-common earnings rows at the reviewed bull endpoints
Common dividends	-	SGD 51.982bn	cumulative	75% forecast-period payout; post-2031 mature payout 83.438749%
Common-share repurchases net of issuance	-	SGD 0.225bn repurchases / SGD 1.085bn issuance	cumulative	Source-bound capital actions; unused authorization is excluded
OCI and other common-equity movements	-	+SGD 0.500bn	cumulative	SGD 0.100bn annual favorable direct-equity movement
Terminal common equity	SGD 70.166bn	SGD 88.853bn	+4.84%	High payout contains book growth despite stronger earnings
Diluted common share count	2,850.000m	2,861.257m	+0.08%	Same reconciled listed-equivalent dilution path
Book value per common share	SGD 24.620	SGD 31.054	+4.75%	Parent common equity divided by diluted common shares
Normalized common ROE	17.50%	18.11%	+0.61 pp	Bull case sustains recent high-return economics
Valuation	3.094x P/B	2.50x P/B	-0.594x	Near 2.519x coherent Gordon identity and still below current P/B
P/E cross-check	19.40x	14.14x	-5.27x	Positive terminal EPS; PB_ROE remains controlling
Share value	SGD 76.40	SGD 77.635	+0.32% CAGR	Terminal BVPS x 2.50x; no extra bank-claim adjustment
Cumulative distributions	-	SGD 18.194/share	cumulative	Dividends counted once in shareholder wealth
Total ending value	SGD 76.40	SGD 95.829/share	+4.64% gross SGD IRR	Terminal share value plus cumulative distributions

CIO actionability

Measure	Result	Notes
Status	PASS	Base and probability-weighted returns are negative; this is separate from the ER2 PASS verdict

Measure	Result	Notes
Bear / Base / Bull net SGD IRR	-11.02% / -2.33% / +4.05%	Exactly two decimals; FX 1.0, 0.50% entry cost, 0.50% exit cost and 10% distribution haircut
Probability-weighted net SGD IRR	-3.07%	CAGR of 30%/50%/20% expected net terminal wealth
10% mandate hurdle	FAIL	Base and probability-weighted cases both fail
15% stretch hurdle	FAIL	Even the Bull case is only +4.05% net SGD
Downside and portfolio fit	FAIL	Bear economics are unacceptable; portfolio fit is unavailable without a current owner-authorized portfolio review
Proposed sizing ceiling	none	Research has no ranking, allocation or sizing authority

Trade execution authorized: NO

What matters now

The return bridge is dominated by entry valuation rather than a weak base business. Current direct parent-common P/B is 3.094x. The independently supported base exit is 1.75x, even though terminal normalized common ROE remains 14.47%. Five years of book growth and SGD 13.62 per share of distributions do not offset that de-rating. The audited 20% max-buy-price diagnostic is SGD 28.08. A 10% base-return price is approximately SGD 43.38; the separate P/E-15 entry threshold is SGD 67.97. None is a trade instruction.

Management remains YELLOW until the current CEO has a longer through-cycle record and external technology-remediation closure is visible. Moat remains YELLOW because DBS's deposit, payments and wealth relationships are real, but pricing evidence, direct churn evidence and the 2046 open-finance/AI-agent threat are unresolved. These are not cosmetic caveats: under the exhaustive gate rule, two YELLOWs alone force PASS even before the valuation FAIL.

Kill / trigger criteria:

- Research reconsideration threshold: price at or below SGD 67.97 can clear the P/E-15 gate, but a BUY still requires both qualitative gates to upgrade; a 10% base-return diagnostic requires roughly SGD 43.38, and a 20% diagnostic roughly SGD 28.08.
- Thesis invalidation: combined CBWM and IBG PBT falls at least 10% year over year for two consecutive half-years while specific allowances remain at or below 25 bp, indicating franchise-income erosion rather than a one-off credit event.
- Capital/credit invalidation: fully phased CET1 below 13.0% or NPL ratio above 1.5% without a source-bound normalization plan.
- Control invalidation: another material multi-hour service outage before external closure of the MAS remediation and operational-risk capital charge.
- Upgrade conditions: management and moat both PASS; post-remediation reliability is sustained; parent-common ROE remains at least 15%; and entry price produces both a positive P/E-15 cushion and a base return consistent with the owner's mandate.

Research sizing if actionable: none. This research has no sizing, allocation, ranking, portfolio-mutation or trade authority.

Appendix A - Company Primer

DBS Group Holdings Ltd — Institutional Investor Primer

Ticker: D05.SI (XSES:D05 ordinary share) **Information date:** 26 August 2026 **Latest reported period:** H1/Q2 2026, ended 30 June 2026 **TTM anchor:** 30 June 2026 **Five-year research horizon:** 30 June 2031 **Reporting currency:** Singapore dollars; financial statement amounts below are SGD millions unless stated otherwise

Purpose, scope and source discipline

This appendix is a reader-facing orientation to DBS Group Holdings Ltd. It explains how the bank serves customers, earns income, consumes capital and moves through rate and credit cycles. It is not a full ER2 conclusion, a valuation, a management or moat verdict, or a trade recommendation.

Every historical financial figure in this primer comes from the sealed `quant_foundation.md`, SHA-256 `18d00f99f144a15fc5c09e2a0a705baae898327f8160f0a2f5ba4df88db134eb`. That foundation gives official DBS publications precedence over non-comparable provider fields and reconciles the latest completed fiscal year and TTM to statutory profit before tax and parent-attributable earnings. Current qualitative orientation is drawn from DBS's live [H1 2026 performance summary](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2026/2Q26_performance_summary.pdf), [2025 Annual Report](https://www.dbs.com/iwov-resources/images/investors/annual-report/dbs-annual-report-2025.pdf), [Consumer Banking / Wealth Management review](https://www.dbs.com/annualreports/2025/consumer-banking-wealth-management.html), [Institutional Banking review](https://www.dbs.com/annualreports/2025/institutional-banking.html), [CIO statement](https://www.dbs.com/annualreports/2025/cio-statement.html), and [corporate-governance report](https://www.dbs.com/annualreports/2025/i/pdf/dbs-ar-2025-corporate-governance.pdf). The Monetary Authority of Singapore's live [financial-institutions directory](https://eservices.mas.gov.sg/fid/institution?category=Local+Bank) anchors the description of the domestic competitive and regulatory perimeter. No cached warehouse financial, segment or transcript data was used.

1. Business overview

DBS is a Singapore-headquartered universal bank whose core proposition is to hold and move money safely, intermediate savings into credit, help households protect and invest wealth, and help companies finance operations and manage payments, liquidity and market risks. It operates through a bank holding company and regulated banking subsidiaries. The economic engine is therefore a balance sheet and a customer network, not a factory or a conventional subscription product.

The customer set spans mass retail users, affluent and private-bank clients, small and medium-sized enterprises, large corporates, financial institutions and institutional investors. Retail customers use current and savings accounts, fixed deposits, mortgages and other loans, cards, payments, investment products and insurance. Wealth clients add advisory, portfolio products, custody, lending and succession or family-office solutions. Corporate customers use working-capital and term credit, cash management, cross-border payments, trade finance, securities and fiduciary services, capital-markets advice and treasury products. Markets clients and the bank itself require liquidity, pricing, structuring, market-making and risk management.

Distribution is deliberately multi-channel. Retail service and acquisition run through DBS and POSB digital applications, web interfaces, cards and payment rails, assisted service, relationship managers and physical locations. Wealth is “phygital”: digital access and portfolio tools are combined with human advice, particularly as customers move from mass retail into Treasures, private banking and family-office needs. Institutional distribution is relationship-led, supported by product specialists, digital transaction-banking interfaces and regional connectivity. In this model, the app is not a standalone product. It lowers friction and service cost while making the primary deposit, payment and investment relationship more valuable.

Singapore is the franchise centre, with Hong Kong the second major earnings market. DBS also has meaningful operations across the rest of Greater China, South and Southeast Asia, and selected global financial centres. The annual report identifies core Asian markets including Singapore, Hong Kong, China, Taiwan, India and Indonesia. The regulatory footprint is correspondingly layered: group supervision and capital planning in Singapore sit alongside local banking, conduct, liquidity, data, resolution and consumer-protection requirements in each jurisdiction. DBS Bank Ltd is listed by MAS as a local bank and also as a designated payment-system settlement institution and Singapore Government Securities primary dealer. Those

roles make operational continuity and regulatory trust part of the product itself.

2. Revenue and income architecture

For a bank, “revenue” is best read as **total income**, principally net interest income plus fee and commission income and other non-interest income. Gross interest receipts are not economically comparable to industrial revenue because the interest paid on deposits and wholesale funding is a direct cost of producing the lending spread. Similarly, DBS's reportable segment profit measure is **profit before tax (PBT)**, not manufacturing-style operating income. The sealed foundation therefore uses total income and segment PBT throughout.

The FY2025 composition is the latest completed fiscal-year orientation required by the Stage A contract. Percentages below are calculated from the sealed FY2025 consolidated total income of 22,900.

Reportable segment	FY2025 total income	Share of group total	FY2025 segment PBT
Consumer Banking / Wealth Management	10,541	46.0%	4,542
Institutional Banking	8,906	38.9%	5,730
Markets Trading	1,374	6.0%	568
Others	2,079	9.1%	2,259
Consolidated or segment sum	22,900	100.0%	13,099

Consumer Banking / Wealth Management (CBWM) combines everyday banking with the wealth continuum. Deposits provide transaction utility to customers and funding to the group; loans, cards and payments produce spread and fee income; investment and insurance distribution, advice and assets under management produce fees and treasury customer income. The same customer can migrate from a salary account into mortgages, investments, insurance and private banking, so lifetime relationship depth matters more than a single-product sale.

Institutional Banking (IBG) serves SMEs, midsized companies, large corporates and financial institutions. It combines credit with cash management, trade finance, securities and fiduciary services, treasury solutions and capital-markets activity. Transaction banking is strategically important because a client’s operating balances and payment flows can generate recurring fees and deposits while increasing switching friction. DBS's current primary materials emphasise cross-border liquidity, supply-chain resilience and regional connectivity rather than undifferentiated loan-volume growth.

Markets Trading comprises the bank's structuring, market-making and trading activity. Customer income generated by Global Financial Markets is reflected in the relevant customer segments, while Markets Trading captures the trading activity itself; this classification matters because adding customer sales again would double count. Markets results can respond sharply to volatility, client flows, funding costs and risk positioning, and should not be capitalised as though they were a steady subscription annuity.

Others contains centrally managed and capital items, including earnings on capital deployed in operations, non-core asset sales and head-office items. Its FY2025 PBT exceeded its total income, and its TTM PBT margin was above 100%; neither observation means it is an extraordinarily profitable standalone business. They show why centrally managed balances and accounting items must be bridged rather than assigned an independent franchise margin.

For the TTM ended 30 June 2026, total income was 23,304 and the four segment PBT values summed to 13,490. A 100 provision for Corporate Social Responsibility was then applied once at the corporate level, producing statutory PBT of 13,390. Tax of 2,167 and non-controlling interests of 2 bridged to parent-attributable common earnings of 11,221. This is the controlling accounting map for downstream work: segment PBT sum, corporate CSR provision, statutory PBT, tax, NCI, parent-common earnings.

3. Bank unit economics

Net interest income, NIM and the deposit franchise

The basic spread engine is net interest income (NII): interest earned on loans, securities and other interest-bearing assets less interest paid on deposits and other funding. Net interest margin (NIM) expresses NII as a percentage of average interest-bearing assets. NIM is affected by policy rates, the repricing speed and mix of assets, deposit pricing or “beta,” funding competition, the shape of the yield curve, currency mix and hedging.

At H1 2026, group NIM was 1.88% and commercial-book NIM was 2.25%. Gross loans were 469,380 and customer deposits were 638,203. Current and savings accounts totalled 346,877, equal to 54.35% of deposits on the sealed calculation. A large operational deposit base can be valuable because balances linked to payroll, bills, payments or corporate treasury workflows may reprice more slowly than market rates and provide stable funding. That advantage is not costless or permanent. Customers can switch into term deposits, money-market products or competitors when rate gaps widen, and DBS does not disclose a deposit-beta KPI in the sealed source. Downstream analysis must therefore infer no fixed beta and should test NIM under multiple repricing paths.

Fee income, wealth and transaction services

Fee economics are less directly rate-sensitive but depend on customer activity, asset values, product mix and advice intensity. H1 2026 net fee income was 2,942, including wealth fees of 1,826, card fees of 610, transaction-service fees of 513, loan-related fees of 388 and investment-banking fees of 70. These disclosed categories are not all independent demand cycles: stronger markets can lift investment sales and AUM, while corporate uncertainty can reduce deals but increase hedging or cash-management needs.

Wealth AUM was SGD 516 billion at Q2 2026. AUM is not bank-owned equity and cannot be added to the balance sheet or treated as revenue. It is the asset base from which advisory, product, custody and related fees may arise. The economic questions are net new money, investment penetration, fee margins, client and product mix, relationship-manager productivity and retention. AUM growth caused only by market appreciation is less durable than client inflows and deeper wallet share.

Transaction banking has a similar distinction. Payment volumes and corporate balances are valuable because they can produce both fees and deposits, but the income depends on client activity, price, product usage and the cost of maintaining secure, always-on infrastructure. The investor should look for cross-sell and retention evidence without assuming every payment user is highly profitable.

Costs, credit losses and common ROE

Bank operating leverage is usually tracked through the cost-income ratio rather than gross margin. H1 2026 expenses were 4,649 against total income of 12,041, a cost-income ratio of 38.6%. Technology, operations, risk, compliance, branches, relationship managers and central functions are part of the cost base. Digitalisation can remove manual work and improve service, but resilience, cyber security and regulatory controls also require continuing investment.

Credit costs convert pre-allowance income into post-credit earnings. H1 2026 allowances were 303 and specific credit cost was 15 basis points of loans. The NPL ratio was 1.0%, non-performing assets were 4,764, allowance reserves were 6,195, and coverage was 130% or 196% after considering collateral. These are strong current indicators, but they are snapshots. Credit loss is delayed: new problem formation, restructurings, collateral values, sector concentration and migration between expected-credit-loss stages can change after macro conditions deteriorate.

Common ROE is the shareholder unit-economics summary: parent-common earnings divided by average ordinary shareholders’ funds, with DBS's disclosed methodology excluding NCI and other equity instruments from the equity denominator. H1 2026 ROE was 17.5% and return on tangible equity was 19.2%. A high bank ROE can come from healthy spreads, fees, efficiency and benign losses, but also from leverage or an unusually favourable rate and credit environment. It must be interpreted alongside CET1, asset quality and book-value growth plus distributions.

Capital intensity is structural. Loans and market exposures create risk-weighted assets (RWA), which require common equity and other regulatory capital. The scarce resource is therefore not factory capex but balance-sheet capacity. Incremental growth creates value only when risk-adjusted income and credit losses produce returns above the cost of common equity while preserving regulatory buffers.

4. Segment and geographic economics

Business and geography are two different views of the same group and are not additive to one another. The TTM business view showed CBWM income of 10,780 and PBT of 4,781; IBG income of 8,938 and PBT of 5,619; Markets Trading income of 1,451 and PBT of 623; and Others income of 2,135 and PBT of 2,467. Institutional Banking had the highest disclosed standalone segment PBT margin at 62.9%, while CBWM and Markets Trading were 44.4% and 42.9%. Others' 115.6% is not a franchise margin because it contains central and capital effects.

The latest disclosed geographic view is H1 2026:

Exact disclosed geography	H1 2026 total income	H1 2026 PBT	Share of H1 income
Singapore	7,565	4,662	62.8%
Hong Kong	1,950	1,225	16.2%
Rest of Greater China	1,237	634	10.3%
South and Southeast Asia	815	315	6.8%
Rest of the World	474	380	3.9%
Total	12,041	7,216	100.0%

Singapore is the funding, payments, consumer and corporate anchor; its scale supports fixed-cost absorption but creates concentration in a small, open economy. Hong Kong is both a local market and a wealth and capital-flow gateway influenced by HIBOR, mainland activity and property. Other Asian markets offer structural growth but require local investment and risk adaptation. “Rest of the World” is small in income yet can provide institutional and treasury connectivity.

Disclosure limits matter. DBS gives exact business-segment income and PBT and a geographic income/PBT table, but those tables do not reveal every product's balance sheet, deposit beta, allocated common equity or full RWA. Nor can the analyst multiply a business margin by a geographic revenue line to create an undisclosed profit matrix. Downstream segment work must state what is issuer-disclosed, what is calculated and what remains unavailable.

5. Industry structure and competition

Singapore banking combines a concentrated incumbent structure with international competition. MAS's directory identifies DBS Bank, OCBC and UOB as local banks alongside Bank of Singapore and licensed local digital banks. The three established broad-service groups compete in retail and SME banking, while digital entrants and foreign banks target selected products. Corporate banking, wealth and markets also expose DBS to global and regional universal banks and product specialists. This is a competitor map, not a market-share claim.

Barriers include licences, capital, liquidity, compliance and resolution capacity. Scale spreads technology and control costs. Corporate cash-management integrations and cross-border workflows can be difficult to replace, while wealth relationships combine custody, advice and credit. These features raise switching friction but do not eliminate price competition.

Deposits can reprice quickly, mortgages and corporate loans can be tendered, wealth assets can migrate, and large companies often multi-bank. Digital interfaces reduce search friction. Regulators can require higher capital, remediation or consumer safeguards. The moat question is whether DBS can retain primary relationships and attractive risk-adjusted returns through cycles.

6. Customer economics and distribution

Retail economics begin with salary credits, bills, transfers, cards and savings. Repeated interactions can make an account primary and support low-cost balances. DBS and POSB reach different Singapore customer segments; self-service lowers marginal cost, while people remain important for advice, disputes and high-value relationships.

The wealth continuum lets DBS acquire customers before premium tiers and retain them as needs deepen. Deposits can become investments or insurance, and business owners can need corporate and personal advice. The CBWM review identifies Singapore and Hong Kong as wealth booking centres. The economic proof must be net new money, investment penetration, fee margins and retention—not branding.

Institutional economics are relationship bundles. A low-return loan can be worthwhile if it wins deposits, cash-management fees, trade flows, foreign exchange and advice, but “relationship value” can also excuse underpriced credit. Transaction banking is sticky when embedded in enterprise systems, liquidity pools and approval chains. Wallet share and risk-adjusted returns must validate the bundle.

DBS's primary materials describe AI-enabled customer assistance and internal copilots. Investors should measure resolution, conversion, errors, control outcomes and avoided cost. Data can improve targeting, but consent, privacy, fairness and cyber controls constrain its use.

7. Capital, liquidity and balance-sheet architecture

At 30 June 2026, ordinary shareholders' funds were 70,166 and explicitly excluded NCI of 51. Net book value per share was SGD 24.69. Parent-common equity is the relevant shareholder denominator; total equity, other capital instruments and NCI

are not interchangeable with it. This distinction will matter if downstream valuation uses a price-to-book and ROE framework.

Reported CET1 was 16.6%, while the fully phased ratio was 14.6%. The difference reflects the Basel reform transition and output-floor treatment specified in the sealed foundation. Total capital was 17.2% and the leverage ratio was 5.8%. CET1 is common-equity regulatory capital after prescribed deductions divided by RWA; the ratio can move because of earnings, dividends, buybacks, asset growth, credit migration, model changes or regulation. A bank can report strong earnings yet reduce capital headroom if RWA expands or distributions exceed organic generation.

Liquidity is a separate constraint. The liquidity coverage ratio (LCR) was 142%, intended to compare high-quality liquid assets with stressed short-term outflows. The net stable funding ratio (NSFR) was 113%, intended to compare stable funding with the stable funding required by asset composition over a longer horizon. Customer deposits of 638,203 exceeded gross loans of 469,380, but that simple comparison is not a liquidity stress test. Deposit concentration, behavioural assumptions, encumbrance, currency mismatch and wholesale maturities still matter.

Generic net debt and free cash flow are poor primary tools for a bank. The sealed foundation preserves TTM operating cash flow of negative 431 and free cash flow of negative 1,414, but deposit movements, lending, securities and regulatory liquidity make these figures volatile funding constructs. Gross debt excluding leases of 86,402 and cash equivalents of 32,649 also do not describe bank leverage as they would for an industrial issuer. Capital ratios, funding composition, liquidity ratios, asset quality and parent-common equity are the governing architecture.

Capital return must be evaluated against that architecture. The H1 2026 Q2 ordinary dividend was SGD 0.66 per share and the capital-return dividend was SGD 0.15. Distributions can improve shareholder returns and prevent excess capital from depressing ROE, but they reduce the buffer available for growth and stress. Downstream work should reconcile earnings, dividends, repurchases, issuance, other-equity distributions, RWA growth and ending parent-common book value with no residual.

8. Growth engines and cyclicality

Rates are the most immediate cyclical driver. Lower SORA and HIBOR pressure asset yields and NIM, while deposit repricing, hedging and loan growth can offset part of the decline. H1 2026 showed this combination. Holding peak-cycle NIM is fragile, but passing every rate cut one-for-one into NIM ignores liabilities and hedges.

Loan growth creates value only with adequate pricing, structure and future credit cost. Corporate investment, infrastructure and supply-chain shifts create demand; housing, unsecured retail and wealth lending move with household and asset-market conditions. China- or Hong Kong-linked property can become procyclical when cash flow and collateral weaken together.

Asian private wealth, entrepreneur relationships, cross-border booking and retail-to-affluent migration can support AUM and fees. Markets influence portfolio values and activity, so downstream work must separate net new money and penetration from asset-price inflation.

Transaction banking and treasury sales can deepen corporate relationships: balances support funding, payment and custody activity produce fees, and hedging follows cross-border flows. Competition, technology costs and conduct rules remain. Markets Trading can benefit from volatility and lower funding costs but is less predictable.

Credit cyclicality remains the counterweight. Current NPL and credit-cost figures are benign, but losses can emerge after rates, trade or property conditions have already deteriorated. Watchlists, Stage 2 and Stage 3 migration, new NPA formation, specific allowances, collateral coverage and sector concentration are more informative than the headline NPL ratio alone.

9. Technology, AI, cyber and operational risk

DBS treats digital delivery as part of the franchise rather than a separate segment. Its 2025 reporting describes a multi-year technology programme focused on resiliency, innovation, security and efficiency, including architecture simplification, alternate recovery paths, observability, automated controls and mainframe transformation. It also describes AI use in software development, operations, customer assistance, risk work and employee productivity.

AI can reduce processing, speed coding and documentation, improve triage and help extract credit information. The proof should be lower unit costs, fewer errors, faster resolution or stronger risk outcomes—not model counts or demonstrations.

A digital primary bank has little tolerance for outages, failed changes, cyber compromise or incorrect automated decisions. DBS's [2024 resilience review](https://www.dbs.com/annualreports/2024/letter-from-chairman-ceo.html) and 2025 primary materials describe continued remediation, tighter change management, board technology oversight and long-tail transformation. Operational reliability remains an underwriting variable. Track availability, incidents, recovery time, regulatory

actions, change failures and third-party concentration.

AI adds risks from bad data, drift, hallucination, bias, privacy leakage and opaque decisions. Human review, access controls, testing, lineage and accountability are essential, especially in credit, financial crime, advice and customer communications.

10. Management and governance orientation

Tan Su Shan became CEO and a director on 28 March 2025, succeeding Piyush Gupta. DBS's official [CEO history](https://www.dbs.com/dbs-heritage/ceos.html) records that she previously served as Deputy CEO and Group Head of Institutional Banking, and before that led Consumer Banking and Wealth Management for close to a decade. This gives her operating experience across both major customer segments, but this primer reserves any assessment of capital allocation, candour, incentives or execution for the dedicated management appendix.

Peter Seah is non-executive chairman, and the 2025 governance report identifies Olivier Lim as lead independent director. Independent directors form the majority of the board. DBS also created a group chief operating officer role in April 2025, filled internally by Derrick Goh, with an explicit governance-and-controls remit. These are facts about structure and succession, not evidence by themselves that oversight is effective.

The orientation for investors is continuity with a new accountability period. Strategy remains centred on Asian connectivity, wealth, transaction banking, technology and balance-sheet resilience, while the current CEO now owns delivery. Downstream management work should test whether reported objectives translate into segment economics, whether capital returns reconcile with fully phased capital needs, whether operational incidents are discussed candidly, and whether compensation rewards durable parent-common value rather than short-term volume or headline profit.

11. Key risks and what to monitor

Rate normalisation and deposit beta. Monitor group and commercial-book NIM, deposit mix, CASA balances, hedging disclosures and NII sensitivity. Falling asset yields can outrun deposit repricing; aggressive deposit competition can raise beta. Conversely, stable operating deposits and hedges can reduce the impact.

Asset quality and concentration. Monitor credit cost, new NPA formation, NPL migration, allowance coverage, Stage 2/Stage 3 charges, restructurings and property-linked exposures across Singapore, Hong Kong and Greater China. Current low NPL ratios are not proof of through-cycle immunity.

Wealth and market dependence. Monitor net new money, AUM, investment penetration, wealth fees, treasury customer sales and market-sensitive product activity. Distinguish genuine relationship deepening from rising asset prices or unusually high transaction volume.

Capital return versus growth capacity. Monitor reported and fully phased CET1, RWA inflation, leverage, dividends, buybacks, issuance and parent-common book value. Capital return is attractive only if the group preserves credible stress and regulatory headroom.

Operational resilience, cyber and model risk. Monitor material outages, regulatory findings, remediation milestones, vendor dependencies, fraud and scam losses, and the control record of AI-enabled processes. A service failure can damage trust and invite higher operational-risk requirements even when immediate financial losses are small.

Regulation and conduct. Monitor Basel implementation, operational-risk and resolution requirements, consumer-protection rules, anti-money-laundering expectations, data localisation, digital-asset rules and tax changes across core markets. Regulatory change can alter both capital intensity and product economics.

Geographic and geopolitical exposure. Monitor Hong Kong and mainland China property and corporate conditions, regional trade flows, cross-border wealth rules, currency translation, and country-specific credit or conduct changes. DBS's Asian network is a source of growth and diversification, but also of correlated regional shocks.

Segment-quality interpretation. Monitor the composition of Others, corporate adjustments and the boundary between customer markets income and Markets Trading. Do not extrapolate the Others margin or double count treasury customer sales.

12. Investor glossary

Term	DBS and bank-investor meaning
NII	Net interest income: interest earned less interest paid; the core spread-income numerator.
NIM	Net interest income divided by average interest-bearing assets; group and commercial-book NIM have different perimeters.
CASA	Current and savings accounts; generally operational or liquid deposits, but not automatically free or perfectly stable funding.
Total income	DBS's bank-revenue concept: NII plus fee and other non-interest income.
PBT	Profit before tax; DBS's exact additive reportable-segment profit measure.
CSR provision	Corporate Social Responsibility provision applied once outside the segment PBT sum in the sealed TTM bridge.
CET1	Highest-quality regulatory common equity after prescribed adjustments.
RWA	Risk-weighted assets; exposures scaled by regulatory risk treatment and used as the CET1 ratio denominator.
LCR	Liquidity coverage ratio; high-quality liquid assets relative to stressed short-term net outflows.
NSFR	Net stable funding ratio; stable funding relative to the amount required by asset and activity profile.
NPL	Non-performing loan; the ratio is a lagging asset-quality indicator and must be read with formation and allowances.
NPA	Non-performing assets, a broader disclosed stock used in coverage calculations.
Allowances	Expected-credit-loss and other loss provisions charged against pre-allowance earnings or held on balance sheet.
Credit cost	Specific loan allowances expressed in basis points of average loans under DBS's disclosed convention.
ROE	Parent-common earnings relative to ordinary shareholders' equity; capital, leverage and cyclicality determine quality.
ROTE	Return on tangible equity, excluding goodwill and intangible assets from the ordinary-equity denominator.
BVPS	Book value per share based on ordinary shareholders' funds and the applicable share count.
AUM	Client assets under management; a fee base, not bank-owned equity or revenue.
Deposit beta	The proportion of a market-rate move passed through to deposit pricing; not disclosed by DBS in the sealed foundation.
Cost-income ratio	Operating expenses divided by total income; the bank analogue to an efficiency ratio.
Parent-common earnings	Net income attributable to ordinary shareholders after tax, NCI and relevant other-equity distributions.

13. Orientation conclusion: what downstream work must prove

DBS begins the five-year underwriting horizon as a high-ROE, strongly capitalised Asian bank with a large Singapore deposit franchise, a scaled wealth platform, broad institutional relationships and currently benign asset-quality indicators. Its TTM income base is dominated by CBWM and IBG, while Markets Trading and centrally managed Others can materially affect period results. Singapore and Hong Kong together remain the great majority of disclosed geographic income, so regional breadth does not remove concentration in those two financial centres.

That orientation is not an investment verdict. The segment work must prove how much NIM compression is absorbed by deposits, hedging, volume and mix; whether wealth and transaction fees compound from durable customer flows; and how much normalised PBT survives a less favourable credit and markets cycle. It must also model Others conservatively and preserve the exact segment-PBT-to-statutory bridge.

The management work must test the new CEO period for capital discipline, disclosure quality, risk ownership and operational execution. The moat work must determine whether primary deposits, data, integrated distribution and cross-border connectivity produce durable pricing and retention after accounting for regulatory costs and customer multi-banking. The technology work must distinguish verified productivity and resilience outcomes from ambition.

Finally, synthesis and valuation must use parent-common equity, not total equity or client AUM; reconcile RWA, distributions and diluted shares; and test the 30 June 2031 outcome across rates, credit losses, fee cycles and capital requirements. Until those downstream stages demonstrate durable common-ROE economics and an adequately priced shareholder return, this primer supplies context only and authorises no trade, allocation, ranking or sizing decision.

Appendix M - Management Assessment

DBS Group Holdings Ltd — Management Assessment

Assessment date: 26 August 2026 **Ticker:** D05.SI **Gate: YELLOW** — the franchise has a strong internal leadership bench, disciplined capital management and unusually quantitative disclosure, but Tan Su Shan has only about 17 months of evidence as Group CEO and the legacy technology-control remediation is not yet externally closed: DBS still included MAS-imposed operational-risk charges in FY2025 regulatory capital.

1. Who is running the company

Tan Su Shan became Group CEO and an executive director on 28 March 2025 after serving as deputy CEO and Group Head of Institutional Banking; before that she led Consumer Banking and Wealth Management for close to a decade. She joined DBS in 2010 and has more than 35 years in consumer, wealth and institutional banking. That is a genuine internal succession, not an outsider learning the franchise. The Board began the process in 2021, benchmarked internal and external candidates against six stated criteria, and selected Tan after a decade-long succession exercise. Her prior ownership of both major customer franchises reduces transition risk, although it does not substitute for a five-year CEO record. [DBS CEO biography](https://www.dbs.com/Bod/gmc-tan-su-shan) and [2024 Chairman/CEO letter](https://www.dbs.com/annualreports/2024/letter-from-chairman-ceo.html).

Chng Sok Hui has been CFO since October 2008, after six years leading Group Risk Management. Her long tenure, CFA/FRM credentials and consistent command of balance-sheet, RWA and dividend questions make her the continuity anchor in the new-CEO period. The key business heads are Shee Tse Koon, Group Head of Consumer Banking and Wealth Management since 1 April 2023; Han Kwee Juan, Group Head of Institutional Banking since 1 January 2025; and Andrew Ng, Group Head of Global Financial Markets. Derrick Goh, previously Group Audit Head, became the first Group Chief Operating Officer in April 2025, with Operations, Transformation and Data under him. This control-heavy COO appointment is strategically important after the 2021–23 outages. [Current Group Management Committee](https://www.dbs.com/about-us/our-leadership/group-management-committee.page), [Shee appointment](https://www.dbs.com/newsroom/Grooming_talent_from_within_DBS_makes_senior_level_rotations), [Han appointment](https://www.dbs.com/newsroom/DBS_announces_senior_level_appointments_grooming_talent_from_within), and [2025 Chairman/CEO letter](https://www.dbs.com/annualreports/2025/letter-from-chairman-ceo.html).

Peter Seah is non-executive Chairman. Olivier Lim is Lead Independent Director and held private sessions with independent directors in 2025. The current DBS leadership page lists 11 directors after Jonathan Larsen joined on 3 August 2026: the CEO, Seah, Chng Kai Fong, and eight directors identified as independent. At the FY2025 reporting date the Board had ten members and seven independents. Seah is non-independent because his Board tenure exceeds nine years; at 16-plus years, his experience provides transition continuity but also creates concentration and renewal risk. Chng Kai Fong is formally non-independent of substantial shareholder Temasek because the Singapore Government is Temasek's ultimate owner. Olivier Lim reaches nine years of service in November 2026, so succession in the lead-independent and technology-risk oversight roles is a near-term governance test. [Current Board](https://www.dbs.com/about-us/our-leadership/director.page) and [FY2025 governance report](https://www.dbs.com/annualreports/2025/i/pdf/dbs-ar-2025.pdf).

2. Tenure and track record

Tan is long-tenured at DBS but new in the top seat. Three decisions or inherited programmes define the evidence so far.

First, she has doubled down on the One Bank wealth strategy she helped build. As former head of both customer divisions, she can credibly claim operating ownership of the corporate-to-private-wealth linkage. In FY2025 Consumer Banking/Wealth Management income reached SGD 10.541 billion and segment PBT SGD 4.542 billion; wealth AUM increased from SGD 426 billion in FY2024 to SGD 488 billion in FY2025 and SGD 516 billion at Q2 2026. Management now targets SGD 1 trillion of combined wealth and retail AUM by end-2030, starting from about SGD 680 billion. On the Q2 2026 call Tan called the target optimistic rather than certain and quantified the contribution from net new money at about 8% for the wealth segment. That is ambitious but falsifiable. [Q2 2026 analyst transcript](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2026/2Q26_analyst_transcript.pdf); historical values are from the sealed data package.

Second, the team protected earnings through the rate turn. Group NIM fell from 2.13% in FY2024 to 2.01% in FY2025, but NII still edged up to SGD 14.5 billion, total income rose 3% to SGD 22.9 billion, PBT reached SGD 13.0 billion and ROE remained

16.2%. The economic work belongs jointly to Chng, Corporate Treasurer Philip Fernandez and the business teams; Tan deserves oversight credit, not sole authorship. This is a better stewardship signal than headline NIM because the bank disclosed that deposit deployment can dilute NIM while increasing NII and ROE.

Third, Tan created a stronger operating-control spine through the COO role and continued the multi-year technology-resilience programme. The outcome is mixed. FY2025 business-disruption/system-failure losses were only SGD 0.31 million, versus SGD 0.63 million in FY2024, and the Board Technology Committee monitored architecture, resilience and security milestones. However, the FY2025 capital table still included MAS operational-risk charges imposed after the 2023 disruptions. The remediation has therefore improved observable incident losses but had not earned full regulatory closure by year-end. [FY2025 annual report, technology and capital sections](https://www.dbs.com/iwov-resources/images/investors/annual-report/dbs-annual-report-2025.pdf).

The principal failure under the broader incumbent leadership team was the repeated digital-service disruption cycle. MAS required DBS to hold additional operational-risk capital and, in November 2023, imposed a six-month pause on non-essential IT changes and new business ventures. The pause was not extended in April 2024 after substantive progress, but DBS itself said several architecture and monitoring items remained work in progress. Management acknowledged the failure, commissioned external review, paused expansionary activity, linked consequences to compensation, and created dedicated Board technology oversight. That response is materially better than a quiet write-off; nevertheless, recurrence after the 2021 event demonstrates that earlier remediation was insufficient. [DBS response to MAS, May 2023](https://www.dbs.com/newsroom/DBS_response_to_MAS_actions_on_digital_disruption_23) and [DBS update, April 2024](https://www.dbs.com/newsroom/DBS_responds_to_MAS_decision_not_to_extend_six_month_pause_on_non_essential_IT_changes_business_ventures).

3. Capital allocation behavior

The five-year record is conservative for a bank: investment is steady, cash M&A is bounded, and distributions rise only after capital buffers are established. Figures below reproduce the sealed data package Section 7 and are SGD millions unless stated otherwise.

Year	Capex	Capex / total income	R&D	Buybacks	Dividends paid	M&A / associate cash outlay
FY2021	567	4.0%	Not separately disclosed	16 employee-plan shares; programme suspended	2,392	1,108
FY2022	669	4.1%	Not separately disclosed	11 employee-plan shares	3,789	114
FY2023	718	3.6%	Not separately disclosed	20 employee-plan shares	6,013	Net cash inflow from Citi Taiwan; 124 associate outlay
FY2024	916	4.1%	Not separately disclosed	213 treasury shares; cancellation programme unused at year-end	6,083	669
FY2025	525	2.3%	Not separately disclosed	397 total; 371 cancelled and 26 treasury	8,151	426

The lower FY2025 capex does not by itself establish underinvestment: bank technology cost also runs through staff and computerisation expense, and DBS does not separately disclose R&D. That absence prevents a clean five-year R&D/intensity test. Strategy and spending are directionally coherent—AI, wealth, deposits, balance-sheet hedging and control architecture—but the reader cannot independently isolate total technology investment.

Capital return is unusually explicit. FY2025 dividends paid rose to SGD 8.151 billion; the SGD 3 billion cancellation buyback and SGD 5 billion Capital Return framework are defined as finite uses of surplus capital. Management has not treated repurchases mechanically. In Q3 2025 Chng said purchase intensity is reduced when valuation is more than one standard deviation above its range; by Q2 2026 she said buybacks were difficult at the prevailing price-to-book, with SGD 2.6 billion of capacity still unused. Any unused amount may be returned by another mechanism, subject to Board approval. That is price-sensitive and minority-friendly. [Q3 2025 transcript](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2025/3Q25_analyst_transcript.pdf) and [Q2 2026 transcript](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2026/2Q26_analyst_transcript.pdf).

The acquisition record is measured rather than serial. Citi Taiwan and Lakshmi Vilas Bank were approved under Piyush Gupta, so they cannot be credited solely to Tan. They do demonstrate integration capability in franchises she previously led: Taiwan income rose 11% to SGD 1.4 billion in FY2025, while India income grew double digits to SGD 909 million. Tan's current M&A screen requires strategic fit, acceptable price and integration feasibility; in India she has said any deal should be immediately accretive or create a genuine leap. No material acquisition, divestiture or write-down was identified in the official quarterly set for the 12 months to 26 August 2026. The test is still prospective because she has not yet completed a material CEO-sponsored acquisition.

4. Compensation alignment

The design is strong on bank risk but imperfect as a long-duration owner contract. FY2025 senior-management pay was 18% fixed, 35% variable cash/shares and 47% deferred. Tan's total compensation was SGD 9.644 million: SGD 0.975 million salary, SGD 3.685 million cash bonus, SGD 4.915 million deferred award and SGD 0.069 million other benefits. About 83% of her deferred award is shares. The pool is calibrated to the balanced scorecard, Return on Risk-Adjusted Capital, risk/control input and the split of surplus earnings after cost of equity between employees and shareholders. [FY2025 remuneration report](https://www.dbs.com/annualreports/2025/i/pdf/dbs-ar-2025-remuneration-report.pdf).

Awards generally vest over four years. Malus or clawback may apply for material risk-limit violations, negligent risk-taking losses, material restatement, misconduct or fraud, with vested and unvested awards exposed for seven years. This is appropriately bank-specific. The weakness is that the disclosed restricted awards are primarily time-based; DBS does not publish a simple CEO LTIP formula tied to explicit multi-year ROE, relative TSR and common-equity-per-share hurdles. Alignment therefore depends heavily on Board scorecard judgement.

Tan held 1,351,931 ordinary shares at 31 December 2025 plus 279,505 unvested awards. In May 2026 she sold 100,000 shares at SGD 60.12; this was one disclosed open-market sale, not a cluster, and she retained a substantial stake. It is not a gate failure, but repeated material sales during the transition would weaken alignment. [SGX director-interest notice](https://links.sgx.com/1.0.0/corporate-announcements/EWKHCGT64MWJ9LG7/) and [sale details](https://www.theedgesingapore.com/news/insider-moves/dbss-tan-su-shan-sells-100000-shares-open-market). DBS requires pre-clearance for employee securities trading and discourages short-term speculation. An explicit executive award-hedging prohibition or CEO minimum ownership multiple was not located in the reviewed report; that is a disclosure gap, not evidence that hedging is allowed.

Share dilution is controlled. Diluted weighted shares moved from a split-adjusted 2.819 billion in FY2021 to 2.850 billion in FY2025, about 1.1% cumulatively, while the bank also cancelled shares under its return programme. SBC/revenue is not separately disclosed in a clean five-year series, so no unsupported ratio is presented.

5. Disclosure quality and candor

The last eight official analyst calls reviewed were Q3 2024 through Q2 2026. Question handling is above peer norm. Management routinely provided rate sensitivity per basis point, the fixed-rate asset maturity schedule, deployment yields, CET1 effects, buyback valuation logic, wealth net-new-money ranges, Hong Kong CRE exposure and data-centre exposure. When asked for unavailable or commercially sensitive detail, it usually said so directly—for example, no net-new-money split by nationality—rather than substituting a narrative.

All eight quarters contained material qualifiers such as assumptions on policy rates, market conditions, credit costs or unforeseen events. That is **8/8 hedged-language quarters**, but the markers were generally attached to numbers rather than used to obscure them. The main refusal was trading-income guidance, which management said is inherently difficult to predict. The pattern is cautious calibration, not chronic evasion.

Guidance discipline has been good. The Q3 2024 envelope called for FY2025 group NII and pretax profit around FY2024 levels, commercial non-interest growth in the high single digits, a low-40s cost-income ratio and 17–20 bp specific allowances. FY2025 delivered NII of SGD 14.5 billion versus SGD 14.424 billion, PBT up about 1%, a 40.4% cost-income ratio and 19 bp specific credit cost. When tariffs increased uncertainty in Q1 2025, Tan lowered the non-interest-income range and added SGD 200 million of general allowances rather than defend stale optimism. By Q2 2026, after stronger fees and deposits, management raised commercial non-interest-income guidance to mid-teens and said total income should exceed FY2025 despite lower Singapore rates. No load-bearing guidance miss was identified in the eight-quarter review.

6. Strategic coherence

The 2025 CEO letter defines the destination as an **“AI-enabled bank with a heart”**, operating as One Bank, scaling structural growth businesses and strengthening resilience. That is coherent with the actual portfolio: wealth and retail AUM expansion, One Bank corporate/wealth referrals, AI in distribution and operations, deposit-led balance-sheet growth, and a multi-year architecture programme. [FY2025 Chairman/CEO letter](https://www.dbs.com/annualreports/2025/letter-from-chairman-ceo.html).

This is an evolution of the Gupta strategy, not a sequence of pivots. The risk is execution overload: a SGD 1 trillion AUM aspiration, AI automation, multiple core-market integrations and technology re-platforming all compete for scarce management attention. Tan does name threats—rate compression, geopolitical fragmentation, credit selection, regulation of digital assets and the possibility that AI valuations are excessive. The strategy is credible because it is concentrated in six core Asian markets and three bank segments rather than dependent on a new conglomerate perimeter.

7. Governance flags and minority treatment

There is no dual-class structure: ordinary shares carry one vote each. Temasek held a 28.30% direct and deemed interest as at 10 February 2026, while about 71.58% was public float. This is a state-linked substantial shareholder, not a basis for insinuating political direction. The governance consequence is observable and disclosed: Chng Kai Fong is classified non-independent of Temasek, and interested-person transactions receive Board review. [FY2025 shareholding statistics and governance report](https://www.dbs.com/iwov-resources/images/investors/annual-report/dbs-annual-report-2025.pdf).

DBS reported SGD 699.3 million of FY2025 interested-person transactions with Temasek and associates, mainly ordinary-course items such as premises, telecommunications, technology, security, air-mile redemption and logistics, stated to be on arm's-length commercial terms. The total is visible rather than hidden; no material director/controlling-shareholder contract outside the disclosed table and SGXNET was reported. These transactions warrant continuing Audit Committee scrutiny but do not currently show minority extraction.

The FY2025 financial statements received an unmodified audit opinion, and the Board stated that financial, operational, compliance and IT controls were adequate and effective. No restatement or new material regulatory sanction was identified in the last-12-month official set. That statement does not erase the prior outage record, especially while the MAS capital charge persisted. Minority treatment is positive overall: one-share/one-vote, rising ordinary dividends, finite capital-return dividends and price-sensitive buybacks rather than repurchases at any price.

8. Peer comparison

Against realistic alternatives, DBS has the strongest recent franchise-level return and capital-return evidence, but Tan has the shortest CEO proof period. UOB's Wee Ee Cheong has far longer in-seat experience and real ownership, yet UOB's family-linked concentration and 2025 earnings decline make its stewardship less clearly superior. Standard Chartered's Bill Winters has the strongest personal CEO track record and a formal multi-year LTIP tied to RoTE and relative TSR, but Standard Chartered's FY2025 underlying RoTE of 14.7% remained below DBS's 16.2% reported ROE. OCBC also changed CEOs in January 2026, so Tan is not uniquely transitional; OCBC's SGD 2.5 billion return plan is credible but smaller and less explicitly price-conditioned than DBS's combined SGD 8 billion framework. [UOB FY2025](https://www.uobgroup.com/uobgroup/newsroom/news-releases/2026/uobgroup-fy25-financial-results.page), [Standard Chartered FY2025](https://www.sc.com/EN/investors/financial-results/annual-report/), and [OCBC FY2025 annual report](https://www.ocbc.com/iwov-resources/sg/ocbc/gbc/pdf/investors/annual-reports/2025/2025-annual-report-en.pdf).

On five-year stewardship of the institution, DBS ranks first of this set for per-share capital return, profitability and quantitative shareholder communication. On proven stewardship by the current CEO alone, Tan ranks behind Winters and Wee because her evidence window is only 17 months. That distinction is why a franchise-level PASS would be premature.

9. Management gate verdict

MANAGEMENT GATE: YELLOW. Tan inherited a high-performing platform but has already shown continuity, quantitative candor, capital discipline and willingness to preserve optionality rather than chase volume. CFO Chng and the internal bench materially reduce key-person risk. The gate does not pass because Tan has not yet owned a full credit and rate cycle as CEO, and the most important control failure in the recent record—digital resilience—had not received full external closure in the latest annual capital disclosure.

Upgrade to PASS if: (1) MAS removes the outage-related operational-risk charge and DBS completes at least four more quarters without a material availability incident; (2) FY2026–27 ROE remains at or above 15% through lower rates while wealth growth is driven substantially by net new money, not markets alone; and (3) unused buyback capacity is returned or

redeployed at demonstrably accretive economics, with no large integration-heavy acquisition.

Downgrade to FAIL if: (1) another material technology outage or control sanction shows that remediation did not hold; (2) management misses a load-bearing earnings, credit-cost or capital guide by more than roughly 10% without a timely reset and quantitative explanation; or (3) a large acquisition consumes excess capital without near-term per-share accretion, or repeated CEO share sales materially reduce alignment. Until one side of those signals resolves, the company is investable only with management continuity and control remediation treated as active conditions—not as completed facts.

Appendix W - Moat and 2046 Durability

DBS Group Holdings Ltd — Moat and 2046 Durability

Run ID: `pulse-cio-20260826T120230+0800` **Assessment date:** 2026-08-26 **2046 test date:** 2046-08-26 **Quantitative authority:** DR-cleared `data_package.md`, SHA-256 `8200378a3794433a4bf5d149c15b7db67a6fbd4007458d306a4978b26c8e3ce5`

Executive conclusion

DBS has an earned moat, but not every part of current profit deserves a 20-year compounder label. The protectable core is Singapore primary-account deposits, payment frequency, a retail-to-private-bank wealth ladder, and corporate cash-management workflows joining lending, deposits, trade, custody and foreign exchange. Regulation excludes weakly capitalised entrants but is an industry barrier, not DBS-specific differentiation.

Five years of group PBT-margin stability support efficiency and franchise breadth, but NIM rose from 1.45% in FY2021 to 2.15% in FY2023 before falling to 1.88% in H1 2026. Material earnings are rate-cycle spread, not durable pricing power, and past outages show that trust requires continuous execution. **Moat is YELLOW and the 2046 test is YELLOW** pending through-cycle proof that primary deposits, transaction engagement and fee economics survive open finance, digital banks, AI and tokenised money.

1. Moat taxonomy applied

Network effects — limited and indirect. DBS does not own Singapore's interoperable payment rails. Transaction density still supplies behavioural data for fraud, service and credit: DBS reported 60% of Singapore cross-border PayNow transfers in 2025, while PayLah! exceeded three million users and powered more than 60% of hawker-centre QR transactions. This is distribution and data advantage, not proprietary network ownership; customers can multi-home. [DBS FY2025 CBWM review](https://www.dbs.com/annualreports/2025/consumer-banking-wealth-management.html)

Switching costs — medium in retail, high in embedded corporate workflows and relationship wealth. Salary crediting, bills, beneficiaries, cards, fraud controls and investments make a primary account inconvenient to move. Corporate cash pools, payment approvals, ERP files, trade instruments, custody, hedging and credit limits add testing, documentation and operational-risk costs. Wealth clients are not locked in, but custody, credit, family structures and adviser trust make wholesale migration burdensome. Outages or poor advice can reverse these frictions.

Scale economies — strong and earned. Deposits of SGD 610 billion at FY2025 and SGD 638 billion at H1 2026 fund a broad balance sheet. Shared technology, cyber, compliance, risk and payments support CBWM and IBG, and a 39%-40% cost-income ratio shows fixed-cost absorption. Scale also creates complexity: 2023 disruptions prove that bigger systems are not automatically better. The advantage survives only if control cost grows more slowly than income and outages remain exceptional.

Brand and trust — strong, but conditional. DBS's 2025 wealth clients came from more than 120 jurisdictions; over 70% were entrepreneurs or business owners, and up to 40% of Private Bank clients originated within DBS. That internal progression is stronger evidence than awards. After repeated 2023 digital disruptions, however, MAS imposed restrictions and an operational-risk capital multiplier; DBS identified gaps in governance, incident management, resilience and change management. [DBS 2023 disruption response](https://www.dbs.com/newsroom/DBS_apologises_for_series_of_digital_disruptions_lays_out_comprehensive_roadmap_to_improve_technology_resiliency)

Regulatory barrier — high for the industry, only partly a DBS moat. Banking, payments, capital, liquidity, AML and resolution obligations deter weak entrants. Yet MAS lists GXS and MariBank alongside established local banks, and all qualified incumbents benefit. DBS's broad permissions and capital support trust and product breadth, but regulation cannot substitute for customer preference or risk discipline. [MAS Financial Institutions Directory](https://eservices.mas.gov.sg/fid/institution/print?category=Local+Bank&sector=Banking)

IP and patents — not meaningful. Models and interfaces can be copied. The useful proprietary asset is governed longitudinal transaction and relationship data plus labelled outcomes and employees who can act on them. DBS reported over 2,000 AI models across 430-plus use cases and about SGD 1 billion of 2025 economic value, but data quality, controls and distribution—not model count—are defensible. [DBS FY2025 CIO statement](https://www.dbs.com/annualreports/2025/cio-statement.html)

High-trust procurement and relationships — strong in IBG and private wealth. Corporates value balance-sheet capacity, jurisdictional coverage, execution certainty and compliance; GTS represented 48% of 2025 IBG income. Private wealth similarly joins custody, advice, credit and succession. The moat is the primary relationship; standalone loans, trades and notes remain contestable.

2. Per-segment moat

Consumer Banking / Wealth Management

CBWM's moat is the primary-account deposit base plus the wealth continuum, not the mobile app alone. Salary, payments and deposits produce frequent engagement and low-cost funding; advice, insurance, investment and private banking monetize the relationship as customer complexity rises. FY2025 income was SGD 10.54 billion, 46.0% of group income, and PBT margin was 43.1%. Wealth AUM reached SGD 488 billion in FY2025 and SGD 516 billion by Q2 2026; investment penetration was 58% at FY2025. Durability is strong over five and ten years, but only medium over twenty because deposit search is easier, open-data portability reduces interface lock-in, and AI can commoditize basic advice. The earliest break signals are sustained CASA-share loss, weak net new money after stripping out market appreciation, falling investment penetration, worsening retail engagement or repeated service outages.

Institutional Banking

IBG has the strongest segment moat. Transaction services, operating deposits, trade, custody, foreign exchange and credit are embedded in client workflows; regional licences and balance-sheet capacity make the bundle difficult to reproduce. GTS was 48% of 2025 IBG income, demonstrating that the segment is more than spread lending. FY2025 income was SGD 8.91 billion, 38.9% of the group, with a 64.3% PBT margin. The reviewed base case now declines from 62.9% TTM to 61.0% in 2031, and bear reaches 58.0%, explicitly charging for unknown IBG deposit beta, normalized allowances, payment/FX pricing and Basel/RWA friction. The moat is high over five and ten years and credible over twenty if DBS remains a trusted Asian connectivity bank. It breaks if corporate deposits become price-only, API or token platforms detach payments from the bank relationship, or credit subsidizes mandates without adequate total return. Earliest signals are falling operating deposits, fewer mandates, fee stagnation, loan growth without cross-sell, and rising risk-adjusted credit cost.

Markets Trading

Markets Trading has a narrow platform moat in Asian connectivity, licences, funding, market access and disciplined risk intermediation. It is the structuring, market-making and trading book after customer treasury sales are allocated to customer segments. PBT margin moved from 6.2% in FY2023 to 20.1% in FY2024 and 41.3% in FY2025, showing cyclicality rather than durable pricing. The platform can remain useful for twenty years, but competitors include global dealers and electronic market makers; counterparties can move flow rapidly. Break signals are RWA growth without through-cycle PBT, conduct losses, or income detached from client facilitation.

Others

Others has no customer-franchise moat. It contains centrally deployed capital, head-office items, associates and non-core gains; its 108.7% FY2025 PBT margin is therefore not an economic operating margin. The segment may continue to earn material carry from capital and hedges, but it should not be valued as a defendable business. Its relevance is as a transparency and capital-management test. The earliest adverse signal is a growing share of group earnings in unexplained central items, repeated non-core gains, or hedging income that masks deterioration in customer margins.

Blended-company implication

The blend is weaker than IBG alone but substantially stronger than a typical spread lender. CBWM and IBG contributed 84.9% of FY2025 income and 78.4% of the segment PBT sum, so most activity sits in relationship businesses. Markets Trading was only 6.0% of income; Others was 9.1% of income but 17.2% of PBT and cannot be capitalized at the same durability multiple. The main blended risk is not an oversized weak segment. It is mistaking the centrally generated and rate-sensitive portion of profits for customer-franchise economics.

The independently reviewed five-year scenarios reinforce that distinction:

Segment	2031 bear PBT margin/ratio	2031 base PBT margin/ratio	Durability boundary
CBWM	37.5%	45.0%	Deposit spread, fee yield, AUM flows, outages

Segment	2031 bear PBT margin/ratio	2031 base PBT margin/ratio	Durability boundary
IBG	58.0%	61.0%	Deposit beta, allowances, payment pricing, RWA
Markets Trading	30.0%	39.0%	Flow quality, fixed costs, tail risk
Others	92.0% ratio	105.0% ratio	Opaque central items; not a franchise margin

These are scenario endpoints, not issuer guidance. Wide bear/base gaps show that switching friction protects relationships more reliably than it protects near-term margins.

3. Margin persistence evidence

For a bank, PBT margin on total income, cost-income ratio, ROE, NIM, credit cost and capital are more useful than industrial gross margin.

Metric	FY2021	FY2022	FY2023	FY2024	FY2025	H1/TTM 2026	Interpretation
Group PBT margin	54.8%	56.9%	56.9%	57.8%	56.8%	Not sealed	Stable five-year profitability
Cost-income ratio	45.6%	43.0%	39.9%	39.9%	40.4%	39% H1	Scale and operating discipline
NIM	1.45%	1.75%	2.15%	2.13%	2.01%	1.88% H1	Material rate-cycle exposure
Normalized ROE	12.5%	15.0%	18.0%	18.0%	16.2%	17.5% H1	Strong returns, not cycle-neutral
CBWM PBT margin	36.1%	40.5%	45.3%	43.7%	43.1%	44.4% TTM	Improved, then held
IBG PBT margin	62.8%	73.3%	70.7%	69.3%	64.3%	62.9% TTM	Strong but normalizing
Markets Trading PBT margin	Old basis	Old basis	6.2%	20.1%	41.3%	42.9% TTM	Cyclical / taxonomy-limited

Group PBT margin stayed within 300 basis points through changing rates, deposits and markets: real evidence of diversification and cost control. CBWM held above 43% after FY2023 and IBG above 62% despite falling income. Peak profitability still includes rate effects: H1 2026 NIM was 27 basis points below FY2023, and IBG margin fell 900 basis points from FY2022. Credit was benign, with a 1.0% NPL ratio and 15-basis-point H1 2026 specific credit cost. This is strong five-year evidence, not a severe-cycle or ten-year test.

4. AI disruption stress test

CBWM: Search, transfers, comparisons and basic advice are reproducible by AI agents. SGFinDex already lets customers share financial information among institutions. If agents own the interface, app quality loses value. The protected layer is the regulated balance sheet, execution, custody, identity, fraud controls, transaction history and human accountability for complex advice. [MAS SGFinDex FAQ](https://www.mas.gov.sg/-/media/MAS/News/Media-Releases/2020/Frequently-Asked-Questions-on-SGFinDex.pdf)

IBG: Summaries and cash forecasts are copyable workflows. Moving regulated money, granting committed credit, processing trade, meeting sanctions controls, safeguarding collateral and integrating approval systems are chokepoints around licences, capital and trust. IBG is the most AI-protected segment.

Markets Trading: Research, pricing, execution and risk monitoring are heavily automatable, and competitors have access to similar models and market data. AI raises the minimum technological standard and can compress spreads. DBS retains funding, regulated market access, risk limits and customer-flow context, but proprietary workflow is least defensible here. Markets Trading is the most exposed segment on a standalone basis.

Others: AI is mainly an efficiency tool for treasury, finance and controls. It does not create a moat for central capital earnings.

DBS is platform-adjacent: governed data and distribution let it apply AI across fraud, service, coding, credit and advice. The disclosed SGD 1 billion of 2025 economic value is encouraging but not audited segment profit. The test is lower unit cost and errors without greater model, privacy or cyber loss.

5. The 2046 test

Base-case business description at 2046-08-26. DBS is a regulated Asian financial operating system serving households, entrepreneurs, wealthy families, SMEs and multinational companies. It accepts tokenised and conventional deposits; executes domestic and cross-border payments; underwrites housing, corporate, infrastructure and working-capital credit; safeguards traditional and digital assets; and provides liquidity, risk-management and succession solutions. CBWM and IBG still exist but share one identity, data, payments and advice layer. Branches are sparse and specialist; most routine service, underwriting preparation and portfolio construction are agentic. Markets Trading is smaller as a standalone profit pool and operates principally as customer and treasury infrastructure. Others remains a reporting residual. Directionally, group PBT margin is modestly lower than FY2025's 56.8% because capital, cyber resilience and digital competition consume more economics, but cost automation and fee mix keep ROE above the cost of equity. DBS still earns attractive returns because customers hold primary liquidity with it, corporates embed it in transaction workflows, wealthy families value regulated custody and cross-border structuring, and its loss and operational record preserves trust.

Bear-case 2046. Consumer agents route deposits daily to the highest bidder and distribute investments through low-cost global platforms; tokenised deposits and regulated stable-value money detach payments from primary bank accounts; corporate treasury platforms standardize integrations and auction liquidity, FX and credit across providers; AI commoditizes advice; and one or more cyber or availability failures permanently damage trust. DBS retains a licence and balance sheet but becomes a capital-intensive utility, paying market rates for deposits and competing on price for loans. Fee pools migrate to platforms, capital requirements rise, PBT margin falls materially and ROE converges toward the cost of equity. This is not the most likely outcome, but it is plausible enough over twenty years—roughly a one-in-three qualitative risk—to prevent a PASS today.

Observable 2046 tests. Upgrade to PASS if, through a lower-rate and adverse-credit cycle, DBS sustains primary operating deposits and CASA share, produces positive organic wealth net new money with stable fee yield, grows transaction-service fees and mandates faster than loans, keeps normalized cost-income near 40%, and avoids material availability or cyber events. Downgrade to FAIL if CASA share and operating deposits structurally fall, customer-segment PBT margins compress for three years despite benign credit, fee growth is mostly market beta, material outages recur, or corporate and retail activity shifts to third-party agents without DBS retaining custody, settlement or credit economics.

6. Competitive threat inventory

Threat	Mechanism	Segment(s) affected	Earliest observable signal	Plausibility
Digital banks, open finance and AI agents	Lower search friction; unbundle the interface from deposits, payments and advice	CBWM; IBG deposits	CASA-share loss; rising deposit beta; weaker primary-account engagement	High
Cyber, outage and model-control failure	Damages trust; causes remediation, capital add-ons and customer migration	CBWM; IBG; Markets Trading	Material incidents; longer recovery; MAS action; higher operational RWA	Medium-high
Global/regional banks and treasury platforms	Price corporate credit, cash, custody, FX and wealth products aggressively	IBG; CBWM wealth	Fee-yield pressure; mandate loss; loan growth without deposits or fees	High
Higher capital and conduct requirements	Raise the equity and control cost of each balance-sheet or advice product	All customer segments	Fully phased CET1 headroom falls; RWA grows faster than customer income	Medium-high
Singapore / Greater China concentration	Correlated property, trade and wealth shock raises credit cost and weakens flows	CBWM; IBG	Stage 2 migration; new NPAs; property restructuring; wealth outflows	Medium

Capital and geography are included because they determine whether customer advantage converts to shareholder returns.

7. Pricing power verification

DBS does not disclose a conventional company-wide price increase, customer acceptance rate or churn series. Loans, deposits and wealth products are continuously repriced, and large clients multi-bank, so asserted "pricing power" should not be inferred from a record profit year.

Observable evidence	What it supports	What it does not prove
FY2025 deposits grew SGD 64 billion; more than two-thirds of the increase was CASA	Funding franchise remained attractive during rate pressure	Ability to pay below-market indefinitely
Wealth fees rose 29% to SGD 2.81 billion; AUM rose 19% constant currency; investment penetration reached 58%	Cross-sell and customer willingness to use advice/products	Stable fee yield or low churn; market levels helped AUM

Observable evidence	What it supports	What it does not prove
Transaction-services fees rose 3% to a record SGD 942 million	Embedded activity and wallet share	Unilateral price increases
Group PBT margin held near 55%-58% while NIM fell after FY2023	Diversification and cost flexibility	Pure price realization; hedges and mix contributed
2024 disclosures cited more than 700 new regional cash-management mandates and 34% real-time transaction-volume growth	Workflow adoption and network usage	Long-term contractual lock-in

The correct conclusion is **moderate relationship monetization, but weak direct evidence of unilateral pricing power**. DBS's advantage is retaining profitable bundles and low-cost operating balances, not repeatedly raising list prices. No issuer-disclosed multi-year price escalators, minimum commitments, segment churn or fee-yield bridge were found. That missing evidence is one reason the moat gate remains YELLOW.

8. Verdict

Moat gate: YELLOW. DBS has a concrete moat in primary deposits, payments, the wealth continuum and embedded corporate transaction workflows, supported by stable five-year group margins, a near-40% cost-income ratio and high customer-segment profitability. However, the evidence set does not include a full ten-year margin series or direct pricing/churn proof, and current returns still contain rate-cycle and benign-credit contributions. Upgrade requires through-cycle retention of CASA, organic wealth flows, transaction fees and customer-segment margins with continued operational reliability; structural deposit loss, recurring outages or multi-year fee/margin compression would downgrade to FAIL.

2046 test: YELLOW. A specific 2046 DBS is credible as a regulated Asian deposit, settlement, custody, credit and advice platform, with IBG the most durable segment and Markets Trading the least. The unresolved question is whether DBS retains settlement and balance-sheet economics when AI agents, open finance and tokenised money own more of the customer interface. Passing that test requires evidence that customers continue to make DBS their primary regulated counterparty rather than merely a commoditized backend.

Source boundary and gaps

Historical amounts and KPIs come from the DR-cleared data package. Per-segment conclusions integrate Sections 4-5 of all four substantive `appendix_B_*.md` files. Live official sources supplied context only; the primer was orientation, not quantitative evidence. Gaps are a cleared ten-year margin series, segment capital/RWA and deposit beta, wealth fee yield and churn, operating-deposit retention, and independently reconciled AI value. No warehouse cache was used.

Appendix B1 - Consumer Banking and Wealth Management

Consumer Banking / Wealth Management — Segment Deep Dive

Run ID: `pulse-cio-20260826T120230+0800` Company: DBS Group Holdings Ltd Segment: Consumer Banking / Wealth Management, or CBWM Reporting currency and scale: SGD millions unless otherwise stated TTM anchor: 2026-06-30 Forecast endpoint: 2031-06-30, exactly five calendar years after the TTM anchor Exact segment profit basis: **Profit before tax** Trade execution authorized: false

0. Segment boundary and taxonomy note

CBWM contains DBS's deposits, housing and other consumer loans, cards, payments, investments, insurance distribution and wealth-management activities for individual customers. The current reporting taxonomy is usable from FY2023: DBS refined cost allocation, renamed Treasury Markets to Global Financial Markets, and retrospectively restated FY2023 when it moved certain customer activities and DBS Vickers. Customer treasury sales remain in CBWM and Institutional Banking, not Markets Trading. FY2021-FY2022 CBWM totals are shown as scale and cycle context, but the forecast calibration uses current-taxonomy FY2023-FY2025 and the TTM ended 2026-06-30. This prevents a silent comparison across the 2023 boundary. [data_package §1, reporting-structure taxonomy paragraphs; §3, segment-historicals boundary note]

1. What this segment actually is

CBWM is two connected businesses sharing one customer relationship. The first is everyday consumer banking: current and savings accounts, term deposits, housing and other loans, cards, domestic and cross-border payments, and the digital interfaces through which customers move money. The second is the wealth continuum: retail investments and insurance, Treasures, Treasures Private Client and Private Bank. A customer can begin with a salary account or mortgage, accumulate savings, purchase investments or bancassurance, and eventually move into private banking without leaving DBS. This continuum matters because acquisition costs, identity checks, transaction data and trust earned in daily banking can be reused in higher-value advisory.

Pricing is a mix rather than one tariff. Deposits are an operating input: DBS pays customers a deposit rate and deploys the funds into loans, liquid securities and other interest-earning assets. Loan revenue depends on volume, asset spread and credit losses. Cards and payments earn interchange or service fees but also incur network, rewards, fraud and processing costs. Wealth earns distribution, advisory, transaction, custody and insurance-related fees; some income is recurring with assets under management, while transaction and bancassurance income is more sensitive to market confidence and product mix. Customer treasury sales belong in the customer segment under DBS's taxonomy, so they must not be duplicated in Markets Trading. [data_package §1, reportable-segment description; §4, product/activity table; §10, taxonomy flags]

The go-to-market model is “phygital”: a large digital customer interface combined with relationship managers, wealth advisers and private bankers. The digital layer lowers routine servicing cost and produces behavioral data; human advice is more important as product complexity and customer wealth rise. The segment's geographic logic is anchored in Singapore and Hong Kong but reaches clients across Asian wealth corridors. It also benefits from DBS's institutional relationships because many wealthy clients are entrepreneurs who need both corporate and personal services. The economic advantage is not simply more app users. It is the capacity to turn trusted transaction and deposit relationships into invested assets, advice, insurance and lending while retaining a low-cost funding base.

2. Current economics at the TTM anchor

TTM CBWM total income was SGD 10,780 million and Profit before tax was SGD 4,781 million, producing a 44.35% Profit before tax margin. The TTM is the repaired sum of H2 2025 and H1 2026 and is independently contained in the QFR-sealed statutory bridge. H1 2026 income was SGD 5,523 million, up 4.5% from H1 2025, while H1 Profit before tax rose to SGD 2,636 million from SGD 2,397 million. The difference shows the power of operating mix and timing: PBT can grow faster than income when fee mix, expense control and allowances are favorable, but that is not a permanent law. [DBS Q2/H1 2026 financial-data supplement, Business unit performance table; data_package §3a, repaired TTM component bases, CBWM row; §5, half-year segment trend, CBWM row]

The sealed profit metric is exactly **Profit before tax**. It includes the segment's allocated expenses and credit allowances. It is not operating income, EBITDA, contribution profit or net profit. The group-only SGD 100 million CSR provision is a corporate/unallocated line and is not inserted into CBWM. Tax and NCI are also outside the segment forecast. [data_package

§3a, forecast-driver ledger, CBWM and CSR rows; statutory_bridge.json, TTM period]

Relevant disclosed operating anchors are incomplete but useful. CBWM gross loans were SGD 139,635 million at H1 2026 versus SGD 135,158 million at FY2025. Wealth AUM was SGD 516 billion at Q2 2026, up 16% year on year in constant currency. The group wealth-management fee category was SGD 3,267 million on a TTM basis; Q2 wealth fees were SGD 919 million, up 42%. Group card fees were SGD 1,236 million TTM. These fee categories are group categories and must not be treated as an additive CBWM revenue bridge. Group net interest income was SGD 14,246 million TTM, while H1 group NII fell 3% as rates declined. Customer deposits were SGD 638,203 million at H1, with a 54.4% calculated CASA ratio. They describe the funding environment but do not disclose CBWM deposit income. [data_package §0a, Bank KPI history and current inventory; §4, product and KPI tables; §6, current NII commentary]

The recent mix is economically encouraging: fee and wealth momentum offset a tougher rate backdrop. However, CBWM product revenue is not disclosed, so a precise percentage split between deposits, mortgages, cards, wealth and insurance cannot be claimed. `[DATA GAP: DBS does not disclose CBWM product-level revenue, CBWM net interest income, CBWM non-interest income or CBWM deposits in the sealed data package.]` The model therefore forecasts the disclosed segment total income directly and uses AUM, group fee categories, group NII/deposits and CBWM loans as non-additive driver cross-checks.

Capital intensity is moderate and heterogeneous. Consumer loans are 29.4% of group gross customer loans at H1 2026, calculated from disclosed CBWM loans of SGD 139,635 million and group gross loans of SGD 475,238 million. Housing loans are secured but expose the group to property cycles and long duration. Cards and other unsecured lending carry more credit and operational risk per dollar. Wealth and payments typically require less credit RWA but demand continuing expenditure on advisers, compliance, cyber security, fraud prevention, data and digital infrastructure. `[DATA GAP: CBWM-specific RWA, CET1 allocation, credit costs, NPLs and cost-to-income ratio are not disclosed in the sealed data package.]`

3. Unit economics

Deposit and spread engine

The deposit franchise is the core economic engine even when wealth fees dominate incremental growth. A customer deposit produces value through the spread between the deployment yield and the deposit rate, after liquidity and hedging costs. CASA deposits are generally less expensive than term funding but can be more rate-sensitive in absolute NII because management can deploy a larger volume of surplus funds. Management explicitly asked investors to focus on absolute NII rather than NIM: more CASA and surplus deployment can dilute NIM while adding NII and ROE. This is why the forecast does not mechanically project CBWM Profit before tax from NIM alone. [data_package §6, Q1 CEO and Q3 Corporate Treasurer quotes]

Funding value depends on four moving parts. First, deposit volume must grow without excessive pricing. Second, the mix between current, savings and fixed deposits affects deposit beta. Third, loan and securities yields reprice at different speeds. Fourth, hedges and surplus-liquidity deployment can delay or soften rate shocks. The sealed package supplies group deposits, CASA and NII but not a current deposit-beta series after FY2022. Therefore the model uses scenario-level absolute NII paths and deposit paths, not a false precision beta formula. `[DATA GAP: no comparable FY2023-H1 2026 deposit-beta series is disclosed.]`

Lending and credit economics

Consumer loans create spread income but consume CET1 through RWA and can turn a small revenue spread into a large loss if underwriting fails. CBWM gross loans increased by SGD 4,477 million between FY2025 and H1 2026, but that six-month balance movement is not a comparable YoY growth rate. The base case assumes mid-single-digit expansion, consistent with management's broader growth comments and a mature Singapore mortgage market. The bear case slows close to nominal stagnation; the bull case assumes stronger housing and wealth-backed lending without loosening underwriting.

Profit before tax is after allowances, so credit cost is a direct margin lever. Management's current group specific-allowance range is 17-20 basis points, while H1 2026 was 15 basis points and the NPL ratio was 1.0%. A 5-10 basis-point swing on a large loan book can materially affect PBT even if total income changes little. Because CBWM-specific allowance charges are not disclosed, the model expresses this through the segment PBT margin rather than inventing a retail provision line. [data_package §0a, credit history; §6, Q2 allowance guidance]

Wealth and fee economics

Wealth has a different conversion chain: net new money plus market performance and FX translation determine AUM; client activity, invested-asset mix, product penetration and fee yield determine income; adviser compensation, compliance and technology determine operating cost. AUM can rise without equivalent fee growth if deposits or low-fee custody dominate. Conversely, fee income can temporarily outgrow AUM when transaction activity, investment sales or bancassurance are strong. That is why the TTM wealth-fee momentum and the 16% AUM growth are treated as separate drivers.

Management said net new money contributes about 8% growth for the wealth segment and considers a combined retail-plus-wealth AUM target of SGD 1 trillion by end-2030 optimistic but not unrealistic. The disclosed current combined figure was roughly SGD 680 billion, whereas the sealed data package separately gives wealth AUM of SGD 516 billion. A base wealth-AUM CAGR near 8.6% is consistent with the flow claim but deliberately below recent 16% constant-currency growth; it allows market effects to normalize. It also avoids counting AUM as a shareholder asset. AUM belongs to clients and is neither DBS equity nor cash available for distribution. [data_package §6, Q2 CEO AUM and net-new-money quotes; §10, parent-common perimeter]

Cards, payments and operating cost

Card economics combine billings, interchange, merchant economics, rewards, funding and credit losses. Group card fees grew rapidly from FY2021 to FY2024 but were nearly flat in FY2025 and TTM 2026, suggesting that normalized forward growth should be much lower than the early recovery-era CAGR. Payments can deepen engagement and reduce attrition even when the direct fee pool is modest. Fintech and real-time payment rails also compress visible fees and make reliability and fraud protection minimum requirements rather than premium features.

The main operating costs are staff, variable adviser compensation, technology, compliance, marketing, premises, fraud reimbursement and allocated central services. Management wants the group cost-income ratio in the low 40s, while recent performance around 39%-40% was better. For CBWM, wealth growth may raise both revenue and compensation, limiting incremental margins. Digital scale can offset this through self-service, automated controls and adviser productivity. The base case assumes modest operating leverage, not a permanently sub-40% group cost ratio or an implausible zero-cost digital model. [data_package §6, Q2 cost-income quote]

4. Competitive dynamics

The immediate competitors are Singapore's other large domestic banks, especially OCBC and UOB, plus global private banks in affluent and ultra-high-net-worth segments, insurers in bancassurance, and fintechs in payments and investing. Competition differs by product. Deposits compete on trust, convenience and price; mortgages on pricing and approval; cards on rewards and merchant ecosystems; wealth on advice, product access, performance, relationship depth and international booking capability.

OCBC demonstrates that Asian wealth growth is not proprietary to DBS. OCBC reported FY2025 group wealth-management income of SGD 5.6 billion and banking wealth AUM of SGD 343 billion, with AUM up 15% and wealth fees up 33%. It also said wealth management across consumer and private banking contributed more than one-third of group income. These figures show a deep local competitor with an integrated bank, private bank, insurer and asset manager. [OCBC FY2025 results](https://www.ocbc.com/group/media/release/2025/ocbc-group-full-year-2025.page) and [OCBC Consumer Banking review](https://www.ocbc.com/group/investors/annual-reports/2025-annual-report/year-in-review/consumer-banking.page)

UOB reported FY2025 high-net-worth AUM of SGD 201 billion, up 6%, and wealth-management income of SGD 1.3 billion, up 14%. Its retail deposits grew 5%, CASA grew 12%, and retail operating profit fell 9% as wealth and card activity only partly offset lower rates. That peer outcome is an important downside analogue: even a healthy retail and wealth franchise can suffer PBT pressure when deposit margins compress. [UOB FY2025 results](https://www.uobgroup.com/uobgroup/newsroom/news-releases/2026/uobgroup-fy25-financial-results.page) and [UOB Annual Report 2025](https://www.uobgroup.com/investor-relations/assets/pdfs/investor/annual/uob-annual-report-2025.pdf)

Entry barriers are substantial at the full-franchise level. A bank needs a regulated deposit license, capital, liquidity, risk systems, payments connectivity, cyber resilience, a trusted brand, advisers and cross-border compliance. The MAS directory shows a broad competitive field, including local, qualifying full, full and wholesale banks, but only a limited number have the domestic scale and integrated consumer/wealth proposition of the three major Singapore groups. [MAS Financial Institutions Directory](https://eservices.mas.gov.sg/fid/institution?count=0&sector=Banking)

Substitution risk is most acute in modular products. Brokerages and robo-advisers can undercut investment fees; payment wallets can own the transaction interface; digital banks can pay up for deposits; insurers can distribute directly; global private banks can attract the wealthiest clients. DBS's answer must be relationship aggregation, not a claim that every product is protected. The segment can lose economics without losing customers if deposits migrate to higher-yielding accounts or investment assets move to cheaper platforms while the transactional account remains.

5. Moat at the segment level

CBWM has a real but conditional moat. Its strongest element is a scaled, trusted deposit and payments relationship that lowers funding and customer-acquisition costs. Daily transaction data improves personalization and risk selection. The wealth continuum lets DBS cultivate customers before they become high value, while the One Bank model links entrepreneurs' personal and corporate needs. Regulatory, compliance and technology fixed costs favor scale, and network reliability is difficult to replicate quickly.

Durability over five to ten years depends on three conditions. First, DBS must preserve digital reliability and security. A major outage or fraud-control failure would attack the trust asset. Second, advice must remain good enough to justify wealth fees as low-cost products proliferate. Third, deposit pricing discipline must survive competitive cycles. If rivals buy deposits aggressively or if digital banks separate the funding relationship from the primary transaction account, the moat's earnings expression weakens even if customer counts remain stable.

The competitive evidence argues against a monopoly narrative. OCBC and UOB are also investing in wealth, digital distribution and regional affluent customers. Global banks compete for cross-border UHNW assets. DBS's 2023-2025 current-taxonomy total-income CAGR of 8.5% is strong, but recent H1 growth of 4.5% is a better mature-scale anchor. The segment deserves a moat rating of “good and monetizable, not impregnable.” The forecast therefore assumes continued share and wallet gains in base and bull, but no permanent recent-period wealth-fee growth rate.

6. Historical growth rates reproduced from the data package

The table uses FY2023-FY2025 because FY2023 is the first current-taxonomy year. “Three-year historical CAGR” means the CAGR across the three annual observations, which contains two compounding intervals. Product revenue is not disclosed; group fee pools and balance-sheet KPIs are shown as context and are not added to CBWM income.

Product / sub-segment or driver	FY2023	FY2024	FY2025	Three-year historical CAGR	Most recent disclosure	Data package cite
CBWM total income, SGD m	8,957 [DP §3, CBWM Total income row]	10,155 [DP §3, CBWM Total income row]	10,541 [DP §3, CBWM Total income row]	8.5% [calculated from DP §3 row]	H1 2026 income 5,523; +4.5% YoY [DP §5, CBWM row]	DBS AR2024 pp. 26-27 for FY2023 restated/FY2024; DBS AR2025 pp. 22-23 for FY2025; Q2/H1 2026 supplement, Business unit performance
CBWM Profit before tax, SGD m	4,060 [DP §3, CBWM PBT row]	4,437 [DP §3, CBWM PBT row]	4,542 [DP §3, CBWM PBT row]	5.8% [calculated from DP §3 row]	TTM 4,781 [DP §3a, repaired bases row]	DBS AR2024 pp. 26-27 for FY2023 restated/FY2024; DBS AR2025 pp. 22-23 for FY2025; sealed Q2/H1 2026 supplement bridge
Wealth AUM, SGD bn	365 [DP §4, Wealth AUM row]	426 [DP §4, Wealth AUM row]	488 [DP §4, Wealth AUM row]	15.6% [calculated from DP §4 row]	Q2 2026 516; +16% constant-currency YoY [DP §4, recent KPI row]	DBS AR2023 p. 38; AR2024 pp. 42-43; AR2025 pp. 38-39; Q2 2026 press statement dated 2026-08-06
Group wealth-management fees, SGD m	1,505 [DP §4, Wealth management fees row]	2,183 [DP §4, Wealth management fees row]	2,814 [DP §4, Wealth management fees row]	36.7% [calculated from DP §4 row]	Q2 2026 919; +42% YoY [DP §4, recent KPI row]	DBS AR2024 pp. 28-29 for FY2023 restated/FY2024; AR2025 pp. 24-25 for FY2025; Q2/H1 2026 supplement and press statement dated 2026-08-06; group context only
Group card fees, SGD m	1,044 [DP §4, Card fees row]	1,240 [DP §4, Card fees row]	1,225 [DP §4, Card fees row]	8.3% [calculated from DP §4 row]	TTM 1,236 [DP §4, Card fees row]	DBS AR2024 pp. 28-29 for FY2023 restated/FY2024; AR2025 pp. 24-25 for FY2025; Q2/H1 2026 supplement; group context only

Product / sub-segment or driver	FY2023	FY2024	FY2025	Three-year historical CAGR	Most recent disclosure	Data package cite
Group net interest income, SGD m	13,642 [DP §0a, NII row]	14,424 [DP §0a, NII row]	14,500 [DP §0a, NII row]	3.1% [calculated from DP §0a row]	TTM 14,246; H1 down 3% [DP §0a NII row; §6 Q2 quote]	DBS AR2024 pp. 28-29 for FY2023/FY2024; AR2025 pp. 24-25 for FY2025; Q2/H1 2026 supplement and media transcript dated 2026-08-06; group context only
CBWM gross loans, SGD m	Not disclosed in DP history [DP §10, product gap]	Not disclosed in DP history [DP §10, product gap]	135,158 [DP §0a, current inventory row]	Not calculable [DP §10, product gap]	H1 2026 139,635; +3.3% from FY2025, not YoY [DP §0a row]	DBS Q2/H1 2026 financial-data supplement, customer loans by business unit; data_package §0a and §10

Arithmetic checks pass. CBWM FY2023 income of 8,957 multiplied by 1.134 equals 10,157 versus reported 10,155, a 0.02% rounding difference; FY2024 income of 10,155 multiplied by 1.038 equals 10,541, matching the reported value after rounding. Wealth AUM 365 multiplied by 1.167 equals approximately 426 and 426 multiplied by 1.146 equals approximately 488. Group wealth fees 1,505 multiplied by 1.451 equals approximately 2,183 and 2,183 multiplied by 1.289 equals approximately 2,814. Card fees 1,044 multiplied by 1.188 equals approximately 1,240, while 1,240 multiplied by 0.988 equals approximately 1,225. No product dollars were back-solved.

The full annual CBWM context is 5,322 / 6,654 / 8,957 / 10,155 / 10,541 of total income and 1,923 / 2,693 / 4,060 / 4,437 / 4,542 of Profit before tax for FY2021-FY2025. Only FY2023 onward is used for current-taxonomy growth calibration. TTM total income of 10,780 and Profit before tax of 4,781 are not a sixth fiscal year; they are the exact 12 months ended 2026-06-30. [data_package §3, CBWM table; §3a, repaired TTM component bases]

7. Management guidance from data package Section 6

The following guidance is the controlling forward anchor. Quotes are reproduced from the sealed data package rather than re-fetched.

- **Q2 2026, balance-sheet resilience:** “While the macroeconomic environment continues to evolve, our strong balance sheet, sound asset quality, healthy allowance reserves and capital position leave us well placed to capture growth opportunities and continue delivering sustainable shareholder returns.” This supports loss capacity and continued investment but provides no numerical CBWM growth target. [data_package §6, first Group/CBWM quote]
- **Q2 2026, AUM ambition:** “The $1 trillion is optimistic, but not unrealistic.” The target refers to combined wealth and retail AUM by end-2030, from roughly SGD 680 billion. It is an ambition, not a minimum, and is tested through the wealth-AUM schedule without treating AUM as segment income. [data_package §6, second Group/CBWM quote]
- **Q2 2026, net new money:** “Net new money has been contributing about 8% growth for the wealth segment.” This is the most useful sustainable-flow anchor. Base AUM growth approximates it after normalizing market and currency effects; bull requires continued share gains, while bear assumes market losses and weaker flows. [data_package §6, third Group/CBWM quote]
- **Q2 2026, fees:** “We are raising our guidance for commercial book non-interest income growth to the mid-teens, as wealth management is firing on all cylinders.” This supports a strong near-year fee path but not a five-year mid-teens CAGR at the recent scale. [data_package §6, fourth Group/CBWM quote]
- **Q2 2026, total income and NII:** “Our total income should exceed last year's level despite the significant decline in interest rates, particularly in Singapore.” Management added, “For the first half, group net interest income was down 3%, but we believe we can narrow that gap for the full year as rates stabilise.” The base first year keeps group NII flat and grows CBWM income 4%; the bear keeps NII under pressure and CBWM income below the TTM anchor. [data_package §6, fifth Group/CBWM quote]
- **Q2 2026, deposits and credit:** “Deposit growth should be in the high single digits.” Management also assumed “specific allowances within 17 to 20 basis points.” The base deposit path begins at 7%, then normalizes, while PBT margins incorporate a through-cycle rather than current-low credit cost. [data_package §6, sixth Group/CBWM quote]
- **Q2 2026, efficiency:** “We want to keep our cost-income ratio in the low 40s.” Base CBWM PBT margin therefore improves only modestly, and bull requires measurable mix and productivity rather than a cost-free revenue assumption. [data_package §6, seventh Group/CBWM quote]

- **Q1 2026, absolute NII:** “We want to have more Casa. While it raises our NII sensitivity, it helps our absolute NII, which is why we keep saying, look at NII, not NIM.” This directly controls the choice of an absolute-NII schedule. [data_package §6, eighth Group/CBWM quote]
- **Q1 2026, NII outlook:** “That is why we can maintain our guidance for NII to be slightly below last year's level.” The base avoids a rapid NII rebound in the first forecast year. [data_package §6, ninth Group/CBWM quote]
- **Q1 and Q4 2026, wealth flows:** “I do believe that we can because continued wealth generation in Asia is a macro trend,” and “We expect net new money to at least repeat what we have achieved in 2025.” Together these support structural flow growth but leave market-level and fee-yield risk unresolved. [data_package §6, tenth and eleventh Group/CBWM quotes]
- **Q2 2026, bancassurance across customer segments:** “Both IBG and CBG (Consumer Banking / Wealth Management) have seen very strong banca sales as well.” This supports the wealth and insurance driver, but no segment dollar split is disclosed. [data_package §6, first Institutional Banking and Markets Trading quote]

`[DATA GAP: Management did not provide a standalone five-year CBWM income, PBT, deposit, product-revenue or margin target in the sealed source set.]` The scenario model therefore converts the guidance into explicit annual paths rather than presenting ambitions as guarantees.

8. Forward growth assumptions and driver schedules

All CAGRs run from 2026-06-30 to 2031-06-30, exactly five years. Group NII, deposits, wealth fees and card fees are context schedules, not CBWM revenue components. CBWM loans and wealth AUM are operating KPIs. Only the CBWM total-income row is the modeled segment top line.

Base case assumptions

Product / driver	Three-year historical CAGR	Latest disclosed change	Management FY+1 guide	Base CAGR TTM to TTM+5y	Justification
CBWM total income	8.5%	H1 2026 +4.5% YoY	Group income above FY2025	4.6%	Mature-scale growth normalizes below FY2023-FY2025; wealth offsets rate pressure.
Wealth AUM	15.6%	Q2 +16% constant-currency YoY	Combined retail/wealth AUM ambition of SGD 1tn by end-2030	8.6%	Treats the disclosed 8% net-new-money contribution as a flow anchor, not a guaranteed AUM CAGR; it still requires broadly recurring flows and non-negative net market/FX effects over five years.
Group wealth fees	36.7%	Q2 +42% YoY	Commercial-book non-interest income mid-teens near term	9.2%	Activity normalizes; the group-fee/AUM context ratio rises only from about 0.633% to 0.651%, but even that modest lift requires invested-asset and advice penetration rather than custody/deposit-heavy AUM.
CBWM gross loans	Not calculable	+3.3% FY2025 to H1, not YoY	No standalone CBWM guide	4.6%	Mid-single-digit mortgage and wealth-backed lending without underwriting dilution.
Group deposits proxy	Not used as product history	FY2025 to H1 +4.6%, not YoY	High-single-digit near term	5.7%	Starts at 7% then fades as surplus liquidity and competition constrain pricing.
Group NII proxy	3.1%	H1 2026 -3%	Slightly below FY2025, gap expected to narrow	2.3%	Flat first year, then volume and reinvestment offset rate normalization.
Group card fees	8.3%	TTM +0.9% versus FY2025, mixed periods	No explicit guide	4.0%	Spending and customer growth resume, below earlier recovery-era pace.

Bull case assumptions

Product / driver	Three-year historical CAGR	Latest disclosed change	Management FY+1 guide	Bull CAGR TTM to TTM+5y	Justification
CBWM total income	8.5%	H1 2026 +4.5% YoY	Group income above FY2025	6.5%	Wealth share gains, deposit growth and operating leverage sustain above-base growth.
Wealth AUM	15.6%	Q2 +16% constant-currency YoY	SGD 1tn combined ambition	11.6%	Strong net new money plus constructive markets preserve most of recent momentum.
Group wealth fees	36.7%	Q2 +42% YoY	Mid-teens commercial-book non-interest income	12.8%	Higher invested-asset share and activity retain double-digit fees after initial normalization.
CBWM gross loans	Not calculable	+3.3% FY2025 to H1, not YoY	No standalone CBWM guide	6.4%	Regional affluent credit and housing demand expand without a credit-cost shock.
Group deposits proxy	Not used as product history	FY2025 to H1 +4.6%, not YoY	High-single-digit near term	7.4%	DBS captures wealth and transaction flows while controlling deposit beta.
Group NII proxy	3.1%	H1 2026 -3%	Gap expected to narrow	3.8%	Faster balance growth and reinvestment overcome lower starting rates.
Group card fees	8.3%	TTM +0.9% versus FY2025, mixed periods	No explicit guide	5.5%	Regional spending and refreshed propositions gain wallet share.

Bear case assumptions

Product / driver	Three-year historical CAGR	Latest disclosed change	Management FY+1 guide	Bear CAGR TTM to TTM+5y	Justification
CBWM total income	8.5%	H1 2026 +4.5% YoY	Group income above FY2025	0.8%	Rate compression, weak investment activity and fee competition offset volume.
Wealth AUM	15.6%	Q2 +16% constant-currency YoY	SGD 1tn combined ambition	2.1%	First-year market decline and weaker flows delay recovery; ambition is missed.
Group wealth fees	36.7%	Q2 +42% YoY	Mid-teens near-term non-interest income	0.7%	Transaction activity falls sharply and fee growth only slowly recovers.
CBWM gross loans	Not calculable	+3.3% FY2025 to H1, not YoY	No standalone CBWM guide	1.8%	Housing and affluent-credit demand soften; underwriting remains disciplined.
Group deposits proxy	Not used as product history	FY2025 to H1 +4.6%, not YoY	High-single-digit near term	3.2%	Deposit gathering remains positive but requires more pricing and adds less spread value.
Group NII proxy	3.1%	H1 2026 -3%	Gap expected to narrow	(0.8%)	Rates and deposit beta pressure NII before a shallow volume-led recovery.
Group card fees	8.3%	TTM +0.9% versus FY2025, mixed periods	No explicit guide	1.7%	Spending slows and rewards competition caps fee growth.

The bull, base and bear paths deliberately do not extend Q2 wealth-fee growth of 42%. That rate is activity-sensitive and much faster than sustainable client-asset formation. The base wealth-fee CAGR of 9.2% is slightly above the 8.6% AUM CAGR because greater investment penetration and advice can raise revenue per unit of AUM, but it is far below the 36.7% FY2023-FY2025 CAGR. The bear case is not a permanent collapse: wealth assets recover after an initial market shock, but fee income takes longer because transaction confidence and fee yield lag.

Base case annual driver cadence

Driver and unit	2026-06-30 TTM	2027-06-30	2028-06-30	2029-06-30	2030-06-30	2031-06-30
CBWM total income, SGD m	10,780	11,211	11,772	12,360	12,917	13,498
CBWM total-income growth	Anchor	4.0%	5.0%	5.0%	4.5%	4.5%
Wealth AUM, SGD bn	516	568	619	671	725	779
Group wealth fees, SGD m	3,267	3,659	4,025	4,387	4,738	5,070

Driver and unit	2026-06-30 TTM	2027-06-30	2028-06-30	2029-06-30	2030-06-30	2031-06-30
Group wealth fees / DBS wealth AUM, context ratio	0.633%	0.645%	0.651%	0.654%	0.654%	0.651%
CBWM gross loans, SGD m	139,635	146,617	153,948	160,875	168,115	174,839
Group deposits proxy, SGD m	638,203	682,877	723,850	763,662	801,845	841,937
Group NII proxy, SGD m	14,246	14,246	14,531	14,967	15,416	15,955
Group card fees, SGD m	1,236	1,285	1,337	1,390	1,446	1,504

Bull case annual driver cadence

Driver and unit	2026-06-30 TTM	2027-06-30	2028-06-30	2029-06-30	2030-06-30	2031-06-30
CBWM total income, SGD m	10,780	11,427	12,227	13,083	13,933	14,769
CBWM total-income growth	Anchor	6.0%	7.0%	7.0%	6.5%	6.0%
Wealth AUM, SGD bn	516	593	671	744	819	892
Group wealth fees, SGD m	3,267	3,855	4,433	4,965	5,462	5,953
Group wealth fees / DBS wealth AUM, context ratio	0.633%	0.650%	0.661%	0.667%	0.667%	0.667%
CBWM gross loans, SGD m	139,635	149,409	159,868	170,260	180,475	190,401
Group deposits proxy, SGD m	638,203	695,641	751,293	803,883	860,155	911,764
Group NII proxy, SGD m	14,246	14,531	15,112	15,792	16,503	17,163
Group card fees, SGD m	1,236	1,310	1,389	1,465	1,538	1,615

The bull cadence preserves strong wealth formation while decelerating. Wealth AUM reaches SGD 892 billion, but remains client AUM rather than shareholder capital. Fees compound faster than AUM through activity and investment penetration; segment income grows more slowly because wealth expenses also scale.

Bear case annual driver cadence

Driver and unit	2026-06-30 TTM	2027-06-30	2028-06-30	2029-06-30	2030-06-30	2031-06-30
CBWM total income, SGD m	10,780	10,564	10,564	10,723	10,937	11,211
CBWM total-income growth	Anchor	(2.0%)	0.0%	1.5%	2.0%	2.5%
Wealth AUM, SGD bn	516	475	494	516	542	572
Group wealth fees, SGD m	3,267	2,875	2,961	3,080	3,218	3,379
Group wealth fees / DBS wealth AUM, context ratio	0.633%	0.606%	0.600%	0.597%	0.594%	0.591%
CBWM gross loans, SGD m	139,635	142,428	143,852	146,010	148,930	152,653
Group deposits proxy, SGD m	638,203	663,731	683,643	704,152	725,277	747,035
Group NII proxy, SGD m	14,246	13,534	13,263	13,263	13,396	13,664
Group card fees, SGD m	1,236	1,236	1,248	1,273	1,305	1,344

The bear cadence combines a first-year AUM decline with two years of NII pressure. Deposits still grow, but their marginal value is lower because pricing and deployment yields move adversely. Segment income declines 2% and then remains flat before a shallow recovery. This is more severe than management's current group-income outlook but defensible as a downside because the horizon contains five annual periods and wealth, rates and credit can turn together. It does not assume customer flight or a broken franchise. As a non-additive reasonableness check, group NII divided by group deposits falls from 2.23% at the anchor to 1.89% in base, 1.88% in bull and 1.83% in bear. Those ratios are neither NIM nor deposit beta; they

simply confirm that no case assumes deposit balances convert one-for-one into spread income. The fee/AUM ratios are likewise context ratios, not disclosed CBWM fee yields, because the fee category is group-level and AUM is client property.

These schedules are source-bound in direction but analyst forecasts in value. They do not claim disclosed CBWM product dollars. The reconciliation rule is explicit: each scenario's CBWM total income is generated solely by compounding the disclosed SGD 10,780 million TTM segment total through the annual CBWM growth row. The non-additive drivers test plausibility. They are never summed into total income, which avoids allocating group fee pools or group NII into CBWM without evidence.

9. Forward Profit before tax margin assumptions

The exact forecast metric is **Profit before tax**. Current TTM margin is 44.35%, compared with 45.3% in FY2023, 43.7% in FY2024 and 43.1% in FY2025. Product-level margins are not disclosed, so the model does not invent wealth, deposit, cards or mortgage PBT margins. It forecasts one disclosed segment PBT margin after segment expenses and allowances.

Case	2026-06-30 TTM Profit before tax margin	2027-06-30	2028-06-30	2029-06-30	2030-06-30	2031-06-30	Five-year change
Bear	44.35%	42.0%	40.5%	39.5%	38.0%	37.5%	(685) bp
Base	44.35%	44.5%	44.8%	45.0%	45.0%	45.0%	+65 bp
Bull	44.35%	45.2%	46.0%	47.0%	48.0%	48.5%	+415 bp

Base mechanism. A 65-basis-point increase is deliberately modest but is not automatic. Wealth and other fee growth must improve mix, loan and deposit volume must absorb fixed platform costs, and digital productivity must offset wage, cyber and compliance expense. The model also normalizes credit cost toward management's 17-20 basis-point range rather than extrapolating H1's 15 basis points. The group low-40s cost-income objective is not a disclosed CBWM ratio and is not mapped mechanically into this margin. The 45.0% endpoint is earned only if fee/AUM monetization stays near the displayed context range and absolute NII stabilizes; sustained NII contraction, fee/AUM below roughly 0.60%, or cost-income normalization without productivity would push the outcome toward bear. The margin ends near, but slightly below, the FY2023 current-taxonomy peak of 45.3%. This is consistent with a durable franchise without assuming extraordinary operating leverage.

Bull mechanism. The 415-basis-point expansion requires several specific events: AUM compounds at 11.6%, invested-asset and advisory penetration keep wealth fees ahead of AUM, absolute NII returns to growth, cards recover, and automation raises adviser and servicing productivity. Credit quality remains benign despite faster loans. A 48.5% PBT margin is above recent history and therefore not a default; it is a 20% probability outcome. It cannot be achieved merely by assuming higher markets because variable compensation and compliance costs also rise. No discrete outage, scam-reimbursement or regulatory-remediation charge is modeled in bull or base because the segment amount is undisclosed; ordinary resilience spending is embedded in expenses, while a material event belongs in bear and would invalidate the bull margin.

Bear mechanism. The 685-basis-point contraction is driven by lower deposit spreads and NII, first-year market losses, weaker transaction and bancassurance activity, fee-yield pressure, and higher credit and fraud costs. Expenses respond with a lag because technology, compliance and relationship-manager capacity are partly fixed. UOB's 2025 retail outcome—wealth and cards growing while lower rates still reduced operating profit—is a primary-source peer analogue for this asymmetry. The bear margin remains positive because deposits, customer relationships and fee income are diversified; it is not a solvency case.

Margin variation across products is material but undisclosed. Wealth advice and payments are capital-light relative to consumer lending; mortgages generally have thinner spreads but lower secured loss severity than unsecured credit; cards can have high revenue yields and high rewards/fraud/credit costs. Without product revenue and expense allocations, a revenue-weighted product margin would be fabricated. The segment margin above is therefore the only auditable exact-metric forecast. `[DATA GAP: product-level Profit before tax margins and revenue weights are not disclosed.]`

10. Segment rollup and arithmetic reconciliation

Every row begins with the disclosed TTM total income of SGD 10,780 million and TTM Profit before tax of SGD 4,781 million. Annual total income equals prior-year total income multiplied by one plus the scenario growth rate. Profit before tax equals total income multiplied by the stated Profit before tax margin. Values are rounded to the nearest SGD million only after

calculation.

Case and endpoint	Total-income growth	Segment total income, SGD m	Profit before tax margin	Profit before tax, SGD m	Formula tie	Residual
TTM anchor 2026-06-30	Anchor	10,780	44.35%	4,781	Disclosed sealed basis	0.0%
Bear 2027-06-30	(2.0%)	10,564	42.0%	4,437	10,780 x 0.98; then x 42.0%	0.0%
Bear 2028-06-30	0.0%	10,564	40.5%	4,279	10,564 x 1.00; then x 40.5%	0.0%
Bear 2029-06-30	1.5%	10,723	39.5%	4,236	10,564 x 1.015; then x 39.5%	0.0%
Bear 2030-06-30	2.0%	10,937	38.0%	4,156	10,723 x 1.02; then x 38.0%	0.0%
Bear 2031-06-30	2.5%	11,211	37.5%	4,204	10,937 x 1.025; then x 37.5%	0.0%
Base 2027-06-30	4.0%	11,211	44.5%	4,989	10,780 x 1.04; then x 44.5%	0.0%
Base 2028-06-30	5.0%	11,772	44.8%	5,274	11,211 x 1.05; then x 44.8%	0.0%
Base 2029-06-30	5.0%	12,360	45.0%	5,562	11,772 x 1.05; then x 45.0%	0.0%
Base 2030-06-30	4.5%	12,917	45.0%	5,812	12,360 x 1.045; then x 45.0%	0.0%
Base 2031-06-30	4.5%	13,498	45.0%	6,074	12,917 x 1.045; then x 45.0%	0.0%
Bull 2027-06-30	6.0%	11,427	45.2%	5,165	10,780 x 1.06; then x 45.2%	0.0%
Bull 2028-06-30	7.0%	12,227	46.0%	5,624	11,427 x 1.07; then x 46.0%	0.0%
Bull 2029-06-30	7.0%	13,083	47.0%	6,149	12,227 x 1.07; then x 47.0%	0.0%
Bull 2030-06-30	6.5%	13,933	48.0%	6,688	13,083 x 1.065; then x 48.0%	0.0%
Bull 2031-06-30	6.0%	14,769	48.5%	7,163	13,933 x 1.06; then x 48.5%	0.0%

The five-year span is exact: 2026-06-30 to 2031-06-30. The revenue rollup residual is zero because the model does not pretend that group fee pools and group NII are additive CBWM components. PBT also ties within far less than 1% in every row; displayed rounding creates at most a one-million difference from full precision.

Scenario probabilities are **25% Bear, 55% Base and 20% Bull**. Base is more likely because structural wealth flows and deposit growth plausibly offset rate pressure, consistent with management's current outlook. Bear receives more probability than bull because deposit-spread compression, market activity and credit cost can combine adversely, while bull requires both strong markets and sustained execution. The probability-weighted 2031 diagnostic is SGD 13,180 million of segment total income and SGD 5,824 million of Profit before tax, calculated from full-precision scenario endpoints. It is not a fourth scenario and does not authorize a trade.

11. Key risks and wildcards

- **Rate and deposit-beta mismatch — Bear.** Rapid cuts or aggressive deposit pricing can compress spread income faster than balances grow. CASA can increase absolute NII yet also increase sensitivity. The absence of a current deposit-beta series makes this a major forecast uncertainty.

- **Wealth-market and activity reversal — Bear.** AUM includes market and FX effects. A drawdown can reduce client assets, transactions and fee yield together. The recent 42% Q2 wealth-fee growth is especially vulnerable to normalization.

- **Fee compression and open architecture — Bear/Base.** Low-cost funds, brokerages, robo-advice and multiple-bank behavior can reduce monetization even if AUM remains at DBS. The key monitor is wealth-fee growth relative to AUM growth, not AUM alone.

- **Credit normalization — Bear.** Group specific allowances are guided at 17-20 basis points versus 15 basis points in H1. Housing, unsecured consumer and wealth-backed lending have different loss profiles, but CBWM-specific credit cost is undisclosed. A negative surprise reduces Profit before tax directly.

- **Property concentration — Bear.** Housing is a material group loan bucket, and mortgages are important within CBWM. Falling property prices, unemployment or refinancing pressure could affect loan growth, collateral values and provisions simultaneously.

- **Operational resilience, cyber and scams — Bear.** Payments and digital engagement strengthen the moat only if systems remain reliable. Outages, data loss or fraud-control failures can trigger remediation expense, reimbursement, regulatory intervention and customer attrition. MAS technology-risk expectations treat online banking and payment systems as potentially critical systems. [MAS Technology Risk Management FAQ](https://www.mas.gov.sg/-/media/mas-media-library/regulation/faqs/trpd/faqs---notice-on-technology-risk-management/updated-faqs-trm-notice-feb-2024-final.pdf)

- **Adviser capacity and conduct — Bear/Base.** Wealth growth requires qualified staff, supervision and suitable-product controls. Faster sales can raise variable compensation and conduct risk. AUM growth without adviser productivity may not expand margin.

- **Regional wealth-corridor upside — Bull.** Continued wealth creation and diversification into Singapore and Hong Kong could sustain net new money above 8%. The SGD 1 trillion combined AUM ambition becomes more plausible if markets are constructive and DBS gains wallet share.

- **Cross-franchise conversion — Bull.** Better conversion from salary and payments customers into Treasures, and from entrepreneurs' institutional relationships into private banking, could lower acquisition cost and raise fee density without equivalent balance-sheet growth.

- **AI and automation — Bull/Base.** Adviser tools, personalization, fraud detection and self-service can improve engagement and productivity. The upside is real only if model governance, privacy and operational controls prevent higher remediation cost.

- **Capital intensity — Bear/Base.** Faster consumer-loan growth consumes RWA. The group had strong CET1 and liquidity at H1 2026, but CBWM-specific RWA is undisclosed. Growth must be judged on risk-adjusted PBT and group capital, not gross loan volume.

- **Taxonomy and double counting — All cases.** Customer treasury sales belong to CBWM and Institutional Banking. Moving them into Markets Trading would overstate the latter and understate customer-segment economics. This appendix preserves DBS's classification and leaves the group CSR provision to the synthesis bridge.

Ending summary

Case	Segment TTM+5y total income	Exact profit metric	Segment TTM+5y Profit before tax margin	Segment TTM+5y Profit before tax	Probability
Bear	SGD 11,211m	Profit before tax	37.5%	SGD 4,204m	25%
Base	SGD 13,498m	Profit before tax	45.0%	SGD 6,074m	55%
Bull	SGD 14,769m	Profit before tax	48.5%	SGD 7,163m	20%

CBWM is a durable funding-and-wealth franchise, but recent wealth-fee growth should not be capitalized mechanically. Base requires a manageable transition to fee-led growth; bear shows that deposit growth does not prevent margin compression; bull requires exceptional wealth execution and operating leverage.

Appendix B2 - Institutional Banking

Institutional Banking — Segment Deep Dive

Company: DBS Group Holdings Ltd **Ticker:** D05.SI **Reporting currency:** SGD millions unless stated otherwise **TTM anchor:** 2026-06-30 **Exact five-year horizon:** 2031-06-30 **Exact segment profit basis: Profit before tax Historical source of truth:** `data_package.md`, SHA-256 `8200378a3794433a4bf5d149c15b7db67a6fbd4007458d306a4978b26c8e3ce5` **Sealed statutory bridge:** `statutory_bridge.json`, SHA-256 `d413769b9f8870e27014bb468dc0c62b77b8a75a6f1b97e0fa2b32aec7097e40`

0. Segment boundary and taxonomy note

Institutional Banking, or IBG, serves corporate and SME customers with credit, cash management, trade finance, securities and fiduciary services, treasury products and investment banking. The current perimeter is comparable from FY2023: DBS refined cost allocation, moved DBS Vickers from Others to Institutional Banking, and separated customer treasury sales from Markets Trading. FY2023 was retrospectively restated; FY2021-FY2022 remain useful only as old-taxonomy context and are not joined mechanically to current-taxonomy growth. All dollar comparisons and forecast calibration therefore use FY2023 onward. Customer treasury sales are kept inside Institutional Banking, while structuring, market-making and trading remain in Markets Trading. [data_package §1, reporting-structure and taxonomy paragraphs; §10, taxonomy flags]

1. What this segment actually is

Institutional Banking is the bank operating system for companies rather than simply a corporate-loan book. A client may borrow for working capital or a data-centre project, but the more durable relationship begins when DBS also receives payroll and collections, routes supplier payments, provides trade instruments, manages liquidity across legal entities and currencies, hedges foreign-exchange or interest-rate risk, and helps issue debt or equity. The segment spans large corporates, financial institutions, public-sector entities and SMEs. Its addressable wallet comprises spread income on assets and operating deposits, transaction and trade fees, facility and agency fees, customer treasury spreads, securities and fiduciary fees, and investment-banking fees.

The pricing model differs by product. Lending earns a spread over a reference rate and consumes liquidity, expected-loss capacity and regulatory capital. Revolving and committed facilities also earn fees even when undrawn. Operating deposits provide a funding benefit whose value depends on rate levels, deposit beta, product mix and the bank's ability to deploy surplus liquidity. Cash management and trade finance combine explicit transaction fees with the economic value of balances retained through collections, payroll and supply-chain flows. Customer treasury sales monetize hedging, foreign exchange, fixed-income and investment needs through spreads and fees. Debt and equity capital markets and advisory are episodic, mandate-driven fees. Custody, trustee and fiduciary products generate recurring administration fees, but DBS does not disclose their segment dollars separately. [data_package §1, current-segment description; §4, Institutional Banking activity row]

Go-to-market is relationship-led and regional. The corporate banker originates the relationship, while product specialists in transaction services, trade, treasury, capital markets and sector teams deepen it. That architecture matters because a pure lender can be displaced on price, whereas a primary operating bank embedded in enterprise-resource-planning systems, account structures, APIs, payroll, collections and hedging workflows is harder to replace. The client nevertheless can multi-bank and auction loan commitments, so the moat is strongest in workflow-heavy services and weakest in commoditized balance-sheet lending.

DBS's Singapore funding base and network across Hong Kong, Greater China, South and Southeast Asia give the segment a natural corridor proposition. A Singapore-headquartered customer expanding into India, Indonesia, Taiwan or Greater China needs local accounts, regulatory knowledge, foreign exchange, liquidity structures and working-capital finance. Conversely, an Asian company entering ASEAN needs a bank able to connect home-country flows with destination-market execution. The product is therefore partly geographic coordination: one credit view and relationship layer across a fragmented region. Management's expectation that Taiwan and India contribute more profit and its emphasis on technology, data centres, infrastructure and renewables are opportunity statements, not disclosed IBG revenue guidance. [data_package §6, Institutional Banking and corporate-loan commentary]

2. Current economics

TTM Institutional Banking total income was SGD 8,938 million and **Profit before tax** was SGD 5,619 million, giving a 62.9% margin. These are repaired H2 2025 plus H1 2026 values, identical to FY2025 less H1 2025 plus H1 2026. Institutional Banking represented 38.4% of TTM group total income and 41.7% of the TTM reportable-segment PBT sum. FY2025 income was SGD 8,906 million and Profit before tax was SGD 5,730 million, a 64.3% margin. [data_package §3a, Repaired TTM component bases, Institutional Banking row; §3, Institutional Banking table]

The latest clean trend is half-year, because standalone quarterly segment income and PBT are not disclosed consistently. H1 2026 income of SGD 4,538 million increased 0.7% from SGD 4,506 million in H1 2025. H1 Profit before tax declined to SGD 2,978 million from SGD 3,089 million. The implied non-PBT cost wedge — income less Profit before tax, incorporating operating expense and allowances on the disclosed segment basis — rose from SGD 1,417 million to SGD 1,560 million. This SGD 143 million increase is an arithmetic inference from the two disclosed lines, not a product-level expense disclosure. H1 margin accordingly fell from 68.6% to 65.6%. [data_package §5, clean half-year segment table, Institutional Banking row]

Gross Institutional Banking loans were SGD 329,180 million at H1 2026 versus SGD 310,034 million at FY2025, a 6.2% increase over six months. They were 69.3% of group gross customer loans of SGD 475,238 million. This establishes the segment as DBS's dominant credit-capital user, but it does not establish the same share of RWA: collateral, tenor, counterparty grade, commitments, market-risk hedges and operational-risk allocations make gross loans and RWA different denominators. Group RWA was SGD 381,940 million and group CET1 capital SGD 63,516 million at H1 2026. [data_package §0a, Current loan, credit, capital and liquidity inventory]

The disclosed product evidence is deliberately less granular than the segment total. DBS reports group net interest income and group fee pools, not an Institutional Banking allocation. TTM group net interest income was SGD 14,246 million; TTM group investment-banking, transaction-services and loan-related fees were SGD 169 million, SGD 988 million and SGD 709 million respectively. These categories are relevant IBG drivers but may include other customer segments and cannot be summed into IBG income. Standalone revenue for credit, cash management, trade finance, securities and fiduciary services is a true non-disclosure. Customer treasury sales are assigned to customer segments, but no IBG dollar split is disclosed. [data_package §4, product and sub-segment historicals table]

Credit is benign at the group level but the current level should not be mistaken for a permanent segment cost. Group NPL ratio was 1.0%, specific-allowance credit cost was 15 basis points for H1 2026, total non-performing assets were SGD 4,764 million and total allowances SGD 6,195 million. Group gross loan concentrations included building and construction at SGD 116,133 million, or 24.4% of gross loans, and financial institutions, investment and holding companies at SGD 47,084 million, or 9.9%. These are group industry buckets, not Institutional Banking allocations; the segment is likely economically exposed, but assigning either bucket wholly to IBG would be fabrication. [data_package §0a, bank KPI history and current loan inventory]

Capital intensity is consequently two-sided. Transaction deposits, cash management and fee services are attractive because they deepen the funding franchise without requiring loan-equivalent credit RWA. Loans can be valuable relationship anchors but must earn their capital charge and expected loss through the whole cycle. Syndication, sell-down and synthetic risk transfer can recycle RWA and preserve client access, yet management correctly described synthetic risk transfer as one tool in a capital-management toolbox rather than recurring operating income. [data_package §6, Q2 FY2026 commentary; §9, inaugural synthetic securitisation]

3. Unit economics

3.1 The income engine

For a bank segment, there is no manufacturing gross margin. The useful identity is:

Profit before tax = total income – **operating expenses** – **allowances and credit losses on the segment basis.**

Total income begins with net interest income. Asset yield depends on reference rates, loan spreads, product and geography mix, and hedge position. Funding cost depends on the share of operating current and savings balances, term-deposit repricing, wholesale funding, deposit beta and internal funds-transfer pricing. An institutional current account can have low explicit pricing but high operational value because it brings payment flows and sticky balances. Conversely, a large price-sensitive corporate deposit may reprice rapidly and add little spread. DBS disclosed a 32% group deposit beta only for year-end FY2022; there is no comparable current IBG beta. The forecast therefore does not pretend to know an IBG beta series. [data_package §0a, deposit-beta paragraph; §10, partial disclosure flag]

The rate cycle operates through more than NIM. Lower benchmark rates compress the return on deposit-funded assets, but balance growth and reinvestment can partly offset the pressure. Management explicitly advised investors to focus on absolute NII rather than NIM and indicated that deploying surplus deposits can dilute NIM while increasing NII and ROE. That logic is particularly relevant to IBG: high-single-digit group deposit growth and mid-single-digit non-trade corporate-loan growth can keep absolute income resilient even as unit spread normalizes. The forecast thus gives positive volume credit but avoids treating FY2022-FY2023 rate-driven income growth as structural. [data_package §6, Q1 FY2026 NII commentary; Q3 FY2025 deposit-deployment and loan-growth commentary]

Transaction services earn explicit fees on payments, trade, guarantees and deposit-related activity and also source operating balances. The economics improve with scale because platform, cybersecurity, compliance and connectivity costs are largely fixed or semi-fixed, while an additional transaction has low processing cost. However, pricing is not unbounded: sophisticated corporates run competitive requests for proposal, require service-level commitments and can spread balances among several banks. The economic advantage comes from integration depth and cross-border reach, not from a monopoly take rate.

Loan-related fees are linked to commitments, facilities, syndication, agency and structuring. They can grow faster than loan balances when the bank leads more complex transactions or distributes risk rather than holds it. Investment-banking fees are even less capital intensive but volatile. The TTM group investment-banking fee pool of SGD 169 million was well above FY2024's SGD 101 million, yet too small and too cyclical to support an aggressive five-year segment forecast by itself. Customer treasury sales benefit when clients hedge currency, rates or commodity exposures; volatility can increase activity, but spreads face electronic competition and outcomes fluctuate. [data_package §4, group fee-pool rows]

3.2 The cost and loss engine

Operating costs include relationship managers, product specialists, operations, technology, cyber defence, compliance, fraud controls, credit underwriting and regional infrastructure. Digitalization can reduce manual processing and exception handling, but the savings are partly reinvested in APIs, ISO 20022 data, tokenized settlement experiments, AI, sanctions screening and resilience. Cost leverage is therefore real only if income grows faster than a controlled cost base; it is not the absence of investment.

Credit cost is the largest nonlinear variable. Benign losses make PBT margin appear exceptionally high because the segment's income is measured after funding costs but before tax. A handful of large corporate defaults, commercial-real-estate stress, supply-chain disruption or data-centre overbuild can raise specific allowances rapidly. Concentration also matters: a diversified SME portfolio can generate many small losses, whereas wholesale exposures are lower-frequency and higher-severity. The bear case therefore compresses margin through both income pressure and credit normalization, not through an arbitrary haircut.

Capital is a shadow cost not fully visible in segment PBT. A loan can increase current income yet destroy shareholder value if it earns less than funding, operating cost, expected loss and the required return on CET1. DBS can improve returns by prioritizing fee-rich relationships, collateralized trade, shorter-duration working-capital assets, syndication and risk transfer. The inaugural synthetic securitisation is strategically relevant because it expands RWA management, although it is not modeled as a separate revenue stream. The base case assumes capital discipline prevents gross loan growth from outrunning economically profitable opportunities.

3.3 What moves the margin

Margin rises when operating deposits grow, asset volumes offset lower rates, fee and customer-treasury mix increases, digital scale lowers unit cost, and credit losses remain near through-cycle levels. Margin falls when deposit competition raises beta, loan pricing is competed down, the bank retains low-return RWA, fee mandates weaken, regulatory and technology costs grow faster than income, or large exposures migrate to Stage 3. The TTM 62.9% margin is already high and embeds a group specific-allowance credit cost of only 15 basis points in H1 2026. The base case therefore steps down to 61.0% as the unknown IBG deposit beta, allowance normalization, payment and FX price competition, and Basel/RWA friction outweigh limited operating leverage. Bull reaches 65.0% only with a better mix of transaction, treasury and capital-markets income, strong volumes, successful capital recycling and controlled losses. Bear falls to 58.0%, reflecting rate and spread pressure plus a material but not crisis-level credit-cost normalization.

4. Competitive dynamics

The direct competitors are UOB and OCBC in Singapore and ASEAN, Standard Chartered and HSBC in cross-border transaction banking, Citi and JPMorgan in multinational cash management and markets, and strong domestic banks in each

Asian market. Non-bank payment providers compete for the visible transaction interface and FX economics, while private-credit funds and capital markets substitute for some bank lending. The segment's competitive set therefore changes by product: local SMEs value relationship density and government-scheme execution; regional corporates value corridor coverage; multinational clients value global pooling, technology and currency breadth; investment-banking mandates depend on distribution and league-table credibility.

UOB's FY2025 results provide a close public benchmark. Group Wholesale Banking reported SGD 6.2 billion of total income, down 7%. Transaction banking contributed close to half of wholesale income, trade loans rose 26%, and cross-border income represented 27%. UOB also reported a 61% current-and-savings-account mix in Group Wholesale Banking. The read-through is double-edged: transaction banking and operating deposits can be structural anchors, but even a leading regional franchise suffered income decline when benchmark rates fell and competition for quality assets intensified. [UOB FY2025 results](https://www.uobgroup.com/uobgroup/newsroom/news-releases/2026/uobgroup-fy25-financial-results.page) and [UOB Annual Report 2025](https://www.uobgroup.com/investor-relations/assets/pdfs/investor/annual/uob-annual-report-2025.pdf)

OCBC's FY2025 Global Wholesale Banking profit before income tax rose 4% to SGD 3.588 billion, supported by lower allowances and fee growth despite lower NII and higher expenses. On a constant-currency basis, wholesale loans rose 9% and deposits 17%. OCBC also highlighted regional API gateways, a rebuilt credit-origination platform and 50% growth in new-to-bank Chinese companies entering ASEAN. This demonstrates that DBS does not own the ASEAN-Greater China opportunity; credible peers are investing in the same corridor, digital workflow and operating-deposit proposition. [OCBC FY2025 Wholesale Banking review](https://www.ocbc.com/group/investors/annual-reports/2025-annual-report/year-in-review/wholesale-banking.page) and [OCBC Annual Report 2025](https://www.ocbc.com/iwov-resources/sg/ocbc/gbc/pdf/investors/annual-reports/2025/2025-annual-report-en.pdf)

Pricing power is consequently selective. DBS can command value where it solves a multi-country liquidity, compliance or hedging problem and where replacement would disrupt client operations. It has little pricing power in a plain bilateral loan to a highly rated borrower that can solicit ten banks. Quality assets attract intense competition, while weaker credits may offer wider spreads that do not compensate for tail loss. The disciplined response is not maximum loan growth but wallet-share growth: use credit to earn primary-bank status and cross-sell high-return products.

Payments technology creates both substitution and opportunity. Swift reported universal ISO 20022 adoption for cross-border payments in November 2025, with more than 97% of network messages using the standard and a record above 68 million messages in one day. Rich standardized data can reduce repair rates, improve reconciliation and enable value-added analytics, but it also makes connectivity more portable. [Swift 2025 progress review](https://www.swift.com/news-events/news/year-shared-progress-5-highlights-2025)

The BIS's Project Agorá showed in July 2026 that 28 financial institutions and central banks could complete real-value transactions in a multi-currency programmable platform using tokenized central-bank reserves and commercial-bank deposits. That validates the direction of wholesale settlement innovation, not an imminent replacement of correspondent banking. A bank with trusted deposits, compliance permissions and corporate integration can participate in the new rails; one that relies only on legacy messaging risks losing fee and float economics. [BIS Project Agorá](https://www.bis.org/about/bisih/topics/fmis/agora.htm)

Non-bank payment providers are a genuine threat. The BIS Financial Stability Institute notes that banks historically dominated cross-border payments but that non-bank providers have changed market structure by offering cheaper, faster and more convenient options. For IBG, the defensible response is regulated balance-sheet capacity, multi-product risk management, cross-border compliance and integration with credit and liquidity — capabilities a standalone payment interface does not fully replicate. [BIS FSI cross-border PSP summary](https://www.bis.org/fsi/fsisummaries/exsum_23901.htm)

5. Moat at the segment level

The moat is moderate to strong in transaction-led primary relationships and only modest in commoditized lending. Five elements protect economics.

First, operating integration creates switching cost. Cash-pooling structures, host-to-host connectivity, APIs, payroll, collections, trade documentation, virtual accounts and reconciliation rules sit inside the client's processes. Replacing the bank requires technology work, testing, treasury-policy changes and operational-risk approval. A client can add another bank, but moving primary flows is slower than refinancing a loan.

Second, deposits and data reinforce cross-sell. Payment flows reveal seasonality, counterparties and working-capital patterns. Used responsibly, that information improves underwriting and allows DBS to offer trade finance, liquidity, FX and facility structures at the right time. More services create more balances and data, which deepen the relationship. This is a real flywheel, though privacy, model-risk and fair-dealing controls constrain its use.

Third, DBS has home-market density and regional connectivity. Singapore is a treasury hub, and the ability to support flows into Hong Kong, Greater China, India and Southeast Asia is valuable in a fragmented regulatory landscape. Local licenses, clearing access, compliance processes, relationship teams and credit knowledge take years to build. The network is not unique — UOB and OCBC are credible regional competitors, and global banks have broader international coverage — but DBS can combine Singapore density with Asian corridor execution.

Fourth, credit and capital-markets capabilities make the relationship broader than payments. DBS can provide bridge finance, syndicated loans, debt capital markets, hedging and securities services. The client values coordinated execution when financing, currency and liquidity needs are linked. Risk distribution and synthetic transfer can also let DBS originate without indefinitely retaining every exposure, improving capital velocity.

Fifth, trust and regulatory standing matter. Corporate treasurers prioritize resilience, fraud control, sanctions compliance, liquidity and certainty of settlement. A lower-priced payment provider may win a narrow flow but not the full operating account, credit and risk-management wallet. The moat nonetheless requires continual investment: outages, cyber events, weak service or compliance failures can rapidly damage primary-bank status.

Durability over five to ten years is therefore conditional rather than absolute. Tokenized deposits, instant cross-border links and standardized APIs reduce legacy friction and may compress payment fees. They can also expand transaction volumes and favor regulated banks able to integrate programmable money with credit, deposits and compliance. The moat survives if DBS remains a leading orchestrator on new rails; it weakens if clients experience DBS as a slow balance-sheet provider while fintechs and global banks own the interface and data.

The margin history cautions against overstating durability. Current-taxonomy total income declined in both FY2024 and FY2025, and PBT margin fell from 70.7% in FY2023 to 64.3% in FY2025 and 62.9% TTM. Rate normalization explains part of the change, but the pattern proves that relationship stickiness does not immunize earnings from spread and credit cycles. The defensible moat claim is recurring wallet access and lower-cost funding, not a guaranteed 70% PBT margin. [data_package §3, Institutional Banking table; §3a, TTM component bases]

6. Historical growth rates — current taxonomy

DBS does not disclose Institutional Banking product revenue. The finest valid dollar line is segment total income, so the historical table uses that line and does not manufacture cash-management, loan, treasury or investment-banking revenue. Three current-taxonomy observations are available. “FY2023-FY2025 CAGR” is the annualized change across the two-year interval between three year-end observations.

Product / sub-segment	FY2023 total income	FY2024 total income	FY2025 total income	FY2023-FY2025 CAGR	Most recent YoY	Data package cite
Institutional Banking total	9,388 [data_package §3, Institutional Banking, Total income row]	9,159 [data_package §3, Institutional Banking, Total income row]	8,906 [data_package §3, Institutional Banking, Total income row]	(2.6%) [data_package §3, Institutional Banking, Total income row; calculated]	0.7% H1 2026 [data_package §5, Institutional Banking row]	data_package §3 Institutional Banking table and §5 clean half-year table

Arithmetic checks: SGD 9,388 million × 0.976 = SGD 9,163 million versus disclosed SGD 9,159 million, within rounding; SGD 9,159 million × 0.972 = SGD 8,903 million versus disclosed SGD 8,906 million, within rounding. No product row was back-solved. TTM income of SGD 8,938 million is separately anchored to H2 2025 SGD 4,400 million plus H1 2026 SGD 4,538 million. [data_package §3a, Repaired TTM component bases]

The following schedule is non-additive context. Its fee lines are group fee pools and must not be allocated to IBG; Institutional Banking loans are a balance-sheet stock, not income.

Disclosed driver	FY2023	FY2024	FY2025	Latest disclosed	Perimeter
Institutional Banking gross loans	Not in comparable package row	Not in comparable package row	310,034	329,180 at H1 2026	Segment balance-sheet stock [data_package §0a, current loan inventory]
Group investment-banking fees	125	101	146	169 TTM	Group fee pool [data_package §4, investment banking fees row]

Disclosed driver	FY2023	FY2024	FY2025	Latest disclosed	Perimeter
Group transaction-services fees	896	918	942	988 TTM	Group fee pool [data_package §4, transaction services fees row]
Group loan-related fees	554	644	733	709 TTM	Group fee pool [data_package §4, loan-related fees row]
Group net interest income	13,642	14,424	14,500	14,246 TTM	Group spread pool [data_package §4, net interest income row]

7. Management guidance

No standalone five-year or FY2026 Institutional Banking income target is disclosed in the data package. The relevant management anchors are driver statements, each of which is applied without re-fetching transcripts.

- **Corporate loans — data_package §6, Q3 FY2025 analyst call.** “In 2026, we expect non-trade corporate loans to grow in the mid-single digits.” This supports near-term volume growth but not a five-year income CAGR; spreads, deposit funding, risk distribution and credit costs still determine returns.

- **Rate and balance interaction — data_package §6, Q1 FY2026 analyst call.** “We want to have more Casa. While it raises our NII sensitivity, it helps our absolute NII, which is why we keep saying, look at NII, not NIM.” The model therefore allows positive balance growth to offset part of lower rates and avoids extrapolating NIM alone.

- **FY2026 NII — data_package §6, Q2 FY2026 media briefing.** “For the first half, group net interest income was down 3%, but we believe we can narrow that gap for the full year as rates stabilise.” This is a group anchor. It supports a subdued first forecast year for IBG, not an assumption that all group NII belongs to IBG.

- **Commercial-book non-interest income — data_package §6, Q2 FY2026 media briefing.** “We are raising our guidance for commercial book non-interest income growth to the mid-teens, as wealth management is firing on all cylinders.” Wealth is the main stated driver, so the model treats it as favorable group context rather than assigning mid-teens fee growth to Institutional Banking.

- **Deposits and credit costs — data_package §6, Q2 FY2026 media briefing.** “Deposit growth should be in the high single digits.” Management also said: “We are assuming specific allowances within 17 to 20 basis points.” These are group ranges. The first supports funding volume; the second prevents the base case from capitalizing H1's 15 basis points as permanently benign.

- **Cost discipline — data_package §6, Q2 FY2026 media briefing.** “We want to keep our cost-income ratio in the low 40s.” This is a group boundary, not an IBG ratio. The segment model allows limited efficiency but no heroic structural cost reduction.

- **Growth geographies — data_package §6, Q4 FY2025 analyst call.** “We expect both Taiwan and India to contribute more in terms of net profit this year.” This supports cross-border opportunity, but the absence of a segment and geography split prevents a dollar allocation.

- **TMT opportunity — data_package §6, Q3 FY2025 analyst call.** “We see structural growth in areas such as tech and data centres, so TMT will remain strong.” The base and bull cases permit stronger credit demand; the bear case explicitly captures concentration, power-supply and overbuild risk.

- **Capital management — data_package §6, Q2 FY2026 analyst call.** “For us, it is just one tool in the capital management toolbox.” This referred to synthetic risk transfer. The forecast assumes active RWA management but assigns no direct recurring income to the transaction.

- **Bancassurance — data_package §6, Q2 FY2026 analyst call.** “Both IBG and CBG (Consumer Banking / Wealth Management) have seen very strong banca sales as well.” This is evidence of cross-sell but not a disclosed IBG revenue split; it remains qualitative.

[DATA GAP: DBS does not disclose a numeric Institutional Banking total-income, product-income, expense, deposit-beta, credit-cost or Profit before tax target for FY2026 or the 2031-06-30 horizon.]

8. Forward growth assumptions

The model forecasts one disclosed top line: **Institutional Banking total income**. Credit, transaction services, customer treasury sales and investment banking are underwriting drivers, not additive invented revenue lines. TTM total income of SGD 8,938 million is the common anchor in all cases. The five annual steps end exactly on 2031-06-30.

8.1 Base case

Product	FY2023-FY2025 historical CAGR	Latest YoY	Management FY+1 guide	Base CAGR TTM to 2031-06-30	Justification
Institutional Banking total income	(2.6%)	0.7% H1 2026	Non-trade corporate loans mid-single digits; group NII slightly below FY2025 then stabilizing	3.5%	Loan and operating-deposit growth offset rate pressure; transaction and treasury wallet deepen, but competition caps spread and fee expansion.

The base case assumes institutional loans grow roughly 5%, 5%, 5%, 4.5% and 4.5%, taking the H1 2026 stock from SGD 329 billion to about SGD 416 billion. This is a model assumption, not management guidance beyond FY2026. Income grows more slowly because lower asset yields, competition for quality borrowers and deposit repricing limit monetization. Structural transaction services and customer hedging add resilience, but standardized APIs and non-bank payment providers constrain price, while capital-markets fees remain cyclical rather than compounding at the FY2025-TTM rate. Management's 17-20 basis-point FY2026 specific-allowance range is group-level and still below several historical years; the base margin therefore absorbs further normalization rather than calling that range a terminal IBG credit cost.

Year ended	Annual growth	Institutional Banking total income	Key cadence driver
TTM 2026-06-30	Anchor	8,938	Repaired H2 2025 plus H1 2026 [data_package §3a]
2027-06-30	2.0%	9,117	Loan volume and fees narrowly outweigh lower spread income
2028-06-30	3.0%	9,390	Rate pressure eases; operating-deposit and transaction volumes compound
2029-06-30	4.0%	9,766	Cross-border wallet and capital recycling improve monetization
2030-06-30	4.0%	10,157	Regional corporate formation and digital scale support growth
2031-06-30	4.5%	10,614	Mature but durable transaction-led franchise

8.2 Bull case

Product	FY2023-FY2025 historical CAGR	Latest YoY	Management FY+1 guide	Bull CAGR TTM to 2031-06-30	Justification
Institutional Banking total income	(2.6%)	0.7% H1 2026	Same source-bound FY+1 anchors	5.3%	Strong Asian capital formation, faster cross-border flows, primary-bank wins and fee-rich treasury and capital-markets mix overcome rate normalization.

The bull case assumes institutional loan growth of 7%, 7%, 6%, 6% and 6%, reaching about SGD 449 billion. That stock increase is not automatically capital-light: the outcome requires syndication, sell-down and synthetic risk transfer to keep RWA growth below loan growth, with no direct income assigned to those tools. The stronger outcome is not simply more loans: transaction banking captures operating accounts, customer treasury benefits from hedging demand, and investment banking wins more mandates. Credit remains benign, technology investment produces operating leverage and India, Taiwan and

ASEAN corridors deliver above-base wallet growth. Even so, fee cyclicality, payment pricing and output-floor implementation cap the terminal margin at 65.0%.

Year ended	Annual growth	Institutional Banking total income	Key cadence driver
TTM 2026-06-30	Anchor	8,938	Repaired TTM anchor [data_package §3a]
2027-06-30	4.0%	9,296	Faster volumes and customer treasury offset rates
2028-06-30	5.0%	9,760	Cross-border cash and trade mandates accelerate
2029-06-30	5.5%	10,297	Fee-rich mix and capital markets broaden
2030-06-30	6.0%	10,915	Regional network effects and productivity compound
2031-06-30	6.0%	11,570	Strong but still plausible mature-bank growth

8.3 Bear case

Product	FY2023-FY2025 historical CAGR	Latest YoY	Management FY+1 guide	Bear CAGR TTM to 2031-06-30	Justification
Institutional Banking total income	(2.6%)	0.7% H1 2026	Same source-bound FY+1 anchors, missed after 2026	0.3%	Rate and loan-spread pressure, weaker trade and capital markets, payment competition and credit caution produce a two-year trough before shallow recovery.

The bear case assumes institutional loan growth of 0%, 1%, 2%, 2% and 2%, reaching about SGD 353 billion. Quality borrowers refinance at tight spreads while riskier opportunities are rejected. Lower rates reduce deposit value, corporate activity weakens, and non-bank providers compress payment and FX economics. Data-centre, construction or holding-company exposures require higher provisions. Transaction relationships keep the five-year revenue outcome above a severe-crisis path, but they do not prevent margin compression.

Year ended	Annual growth	Institutional Banking total income	Key cadence driver
TTM 2026-06-30	Anchor	8,938	Repaired TTM anchor [data_package §3a]
2027-06-30	(3.0%)	8,670	Rate reset and spread competition dominate
2028-06-30	(1.0%)	8,583	Weak investment and fee mandates prolong trough
2029-06-30	1.0%	8,669	Transaction services stabilize income
2030-06-30	2.0%	8,842	Selective lending and cost actions begin recovery
2031-06-30	2.5%	9,063	Franchise survives but remains below base trajectory

Thesis-consistency check: the model does not extrapolate FY2023-FY2025 decline forever or snap immediately to high growth. Base begins at 2.0% after H1 growth of 0.7% and reaches 4.5% only as rates stabilize and volumes compound. Bull exceeds current growth only with explicit primary-bank wins and fee mix. Bear initially repeats the historical decline before transaction stickiness produces recovery. UOB's 7% wholesale-income decline in FY2025 despite strong transaction credentials shows that the bear's early decline is plausible; OCBC's simultaneous 4% wholesale PBT growth shows that execution, funding and allowances can differentiate outcomes.

9. Forward Profit before tax margin assumptions

The forecast metric is **Profit before tax**, exactly matching the sealed bridge. Corporate and unallocated lines, including the group CSR provision, are excluded from the segment margin and will be handled once in consolidated synthesis. The TTM starting margin is 62.9% on SGD 5,619 million of Profit before tax and SGD 8,938 million of total income. [data_package §3a, repaired TTM component bases and forecast-driver ledger]

Case	TTM Profit before tax margin	2027-06-30	2028-06-30	2029-06-30	2030-06-30	2031-06-30	Change vs TTM	Mechanism
Bear	62.9%	61.5%	60.0%	58.5%	57.5%	58.0%	(4.9) pp	Lower deposit value, tighter loan spreads, weak fees and elevated allowances; late cost action provides modest recovery.
Base	62.9%	62.0%	61.5%	61.0%	61.0%	61.0%	(1.9) pp	Unknown IBG deposit beta, allowance normalization, payment/FX pricing and Basel/RWA costs more than offset limited productivity.
Bull	62.9%	63.0%	63.5%	64.0%	64.5%	65.0%	2.1 pp	Fee-rich wallet growth and benign credit help, but fee cyclicality, output-floor drag and continued investment cap leverage.

Case and year	Total income	Profit before tax margin	Profit before tax
Bear 2027-06-30	8,670	61.5%	5,332
Bear 2028-06-30	8,583	60.0%	5,150
Bear 2029-06-30	8,669	58.5%	5,071
Bear 2030-06-30	8,842	57.5%	5,084
Bear 2031-06-30	9,063	58.0%	5,257
Base 2027-06-30	9,117	62.0%	5,653
Base 2028-06-30	9,390	61.5%	5,775
Base 2029-06-30	9,766	61.0%	5,957
Base 2030-06-30	10,157	61.0%	6,196
Base 2031-06-30	10,614	61.0%	6,475
Bull 2027-06-30	9,296	63.0%	5,856
Bull 2028-06-30	9,760	63.5%	6,198
Bull 2029-06-30	10,297	64.0%	6,590
Bull 2030-06-30	10,915	64.5%	7,040
Bull 2031-06-30	11,570	65.0%	7,521

The bear margin change exceeds 100 basis points because two pressures interact. First, falling rates and competitive loan pricing reduce income on a large balance sheet. Second, a wholesale credit cycle raises provisions in lumpy increments. Costs cannot be cut proportionally because the bank must preserve relationship coverage, cyber security, controls and regional infrastructure. The 58.0% terminal margin remains profitable and above a crisis case; it reflects damaged economics, not franchise failure.

The bull margin change also exceeds 100 basis points, but the mechanism is not blanket cost cutting. A higher share of transaction, customer treasury, loan-related and investment-banking economics requires less incremental RWA than retained loans. Digital processing and fewer manual exceptions improve unit cost, while benign credit avoids the loss wedge. The 65.0% terminal margin stays below the 70.7% FY2023 current-taxonomy margin and recognizes that fee pools are cyclical, capital recycling is capacity rather than income, and output-floor implementation can consume some operating leverage.

The base margin is deliberately not held at the TTM level. It falls to 61.0% as the model gives only partial credit for scaling workflow-heavy services and charges for continuing technology, cyber, sanctions and regulatory investment. The decline also avoids treating H1 2026's 15-basis-point group specific-allowance credit cost or an undisclosed IBG deposit beta as durable. Recovering to 63% would require evidence that transaction-wallet mix and productivity are outrunning deposit repricing, normalized losses and RWA costs; that evidence is not in the data package.

10. Segment rollup

Because standalone product revenue is not disclosed, the only auditable financial rollup contains one modeled revenue line: Institutional Banking total income. The driver schedule below explains that line without presenting invented product dollars. Therefore, the rollup ties exactly rather than approximately, and no group fee category is double counted.

Case	Modeled revenue line	TTM anchor	2031-06-30 total income	Five-year CAGR	Rollup residual
Bear	Institutional Banking total income	8,938	9,063	0.3%	0.0%
Base	Institutional Banking total income	8,938	10,614	3.5%	0.0%
Bull	Institutional Banking total income	8,938	11,570	5.3%	0.0%

Case	Institutional-loan assumption	Institutional deposits and NII	Transaction services	Investment banking and loan fees	Customer treasury sales	Credit and capital usage
Bear	About 1.4% CAGR to SGD 353bn	Lower rates and high deposit beta overwhelm modest balances	Volumes persist but fee pricing compresses	Weak issuance and cautious lending	Hedging activity fails to offset spread pressure	Allowances rise; RWA retained selectively
Base	About 4.8% CAGR to SGD 416bn	Balance growth partly offsets rate pressure; IBG beta unknown	Account wins offset by API portability and payment pricing	Mid-cycle mandates; no extrapolation of FY2025-TTM fees	Hedging grows but electronic spreads compress	Credit cost normalizes; output floor limits RWA velocity
Bull	About 6.4% CAGR to SGD 449bn	Strong CASA and deployment sustain absolute NII	Cross-border mandates and integration accelerate	Strong capital formation and syndication	Volatility and client penetration lift sales	Benign credit; sell-down/SRT keep RWA below loan growth

Case	2031-06-30 total income	Exact profit metric	2031-06-30 Profit before tax margin	2031-06-30 Profit before tax	Probability
Bear	9,063	Profit before tax	58.0%	5,257	25%
Base	10,614	Profit before tax	61.0%	6,475	55%
Bull	11,570	Profit before tax	65.0%	7,521	20%

The probability-weighted 2031-06-30 diagnostic is SGD 10,417 million of Institutional Banking total income and SGD 6,380 million of Profit before tax. That is a weighted horizon outcome, not a fourth scenario and not a valuation. Probabilities sum to 100%. All cases span exactly five years from the 2026-06-30 TTM anchor.

Reconciliation: each case's Profit before tax equals total income multiplied by its displayed margin, subject only to rounding to the nearest SGD million. Bear: 9,063 × 58.0% = 5,257. Base: 10,614 × 61.0% = 6,475. Bull: 11,570 × 65.0% = 7,521. The one-line revenue rollup equals segment total income in every case, producing a 0.0% residual.

The driver table is intentionally qualitative where the issuer's product dollars are absent. The loan stocks are explicit scenario assumptions and are never added to income. Group fee categories inform direction but remain outside the rollup. This is the only transparent way to meet the sealed segment total without fabricating product-level income.

11. Key risks and wildcards

[Bear] Rate and deposit-beta squeeze. A faster or deeper decline in Singapore and regional rates can reduce the value of operating deposits before loan and securities volumes compensate. Corporate depositors may demand more of the rate move than modeled. The missing current IBG deposit beta makes this an important monitoring gap.

[Bear] Competition for quality assets. Global and regional banks can price high-grade corporate credit aggressively to win ancillary wallet. DBS may either accept lower spreads or lose volumes. Gross loan growth alone would then be a poor signal of value creation.

[Bear] Credit concentration and wrong-way risk. Building and construction is 24.4% of group gross loans, while financial institutions, investment and holding companies are another 9.9%. These are not disclosed as IBG-only exposures, but stress in commercial property, leveraged holding companies or project finance could produce large wholesale losses. Data-centre lending adds power-price, utilization, technology-obsolescence and collateral-value risks.

[Bear] China and trade fragmentation. Tariffs, export controls, supply-chain relocation and weaker Greater China demand can reduce trade finance, investment and treasury activity even when ASEAN captures some relocated production. Cross-border complexity generates fees but also compliance and credit risk.

[Bear and Base] Non-bank payment substitution. Fintechs can own the client interface, compress FX and payment fees, and make account connectivity more portable. ISO 20022 and standardized APIs reduce friction for incumbents but also lower integration barriers. DBS must win on reliability, data, liquidity and bundled risk solutions.

[Base and Bull] Tokenized money and programmable settlement. Project Agorá and related central-bank work could reduce reconciliation and liquidity friction. This is upside if DBS participates and embeds compliance and commercial-bank deposits in new rails; it is downside if shared infrastructure commoditizes the bank's current role.

[Bear] Cyber, fraud and operational resilience. Transaction-banking relationships depend on uninterrupted access and trusted controls. A material outage or fraud event can cause clients to reroute primary flows and invite regulatory remediation costs. The economic loss can exceed direct compensation because operating deposits and cross-sell follow the payment relationship.

[Bear and Base] Regulatory-capital inflation. Basel output-floor implementation through 2029, model changes or higher risk weights can raise RWA without equivalent customer revenue. The group fully phased CET1 ratio was 14.6% at H1 2026 versus 16.6% reported, demonstrating that transitional and fully phased capital should not be conflated. [data_package §0a, current capital inventory]

[Bull] Asian capital formation. Faster investment in technology, data centres, renewables, infrastructure and supply-chain relocation can lift loans, payments, FX and capital-markets fees together. The upside requires disciplined underwriting; growth that merely retains low-return loans does not qualify.

[Bull] Primary-bank consolidation. Corporate treasury teams may consolidate providers to reduce complexity and improve real-time visibility. DBS could gain disproportionate wallet if its regional APIs, cash pooling and service reliability are superior. The same dynamic can work against DBS if UOB, OCBC or a global bank wins the control layer.

[Bull] Capital velocity. Syndication, sell-down and synthetic risk transfer can free RWA for new client activity. The upside is higher fee and relationship income per unit of CET1, not accounting gain from the risk-transfer transaction itself.

Summary

Case	Segment TTM+5y Revenue	Exact profit metric	Segment TTM+5y Profit Margin	Segment TTM+5y Profit	Probability
Bear	SGD 9,063m	Profit before tax	58.0%	SGD 5,257m	25%
Base	SGD 10,614m	Profit before tax	61.0%	SGD 6,475m	55%
Bull	SGD 11,570m	Profit before tax	65.0%	SGD 7,521m	20%

The segment has a credible transaction-led moat but remains rate-, spread- and credit-sensitive. The key underwriting judgment is that TTM income of SGD 8,938 million is near a cyclical plateau rather than a permanently impaired base. Base-case 3.5% income CAGR relies on mid-single-digit loan and deposit growth and deeper transaction and treasury wallet, but the 61.0% horizon Profit before tax margin charges for unknown deposit beta, credit normalization, payment pricing and RWA friction rather than assuming stable 63% economics. The bear case proves that durable relationships do not eliminate earnings cyclicality; the bull case requires fee-rich growth and capital recycling, not just a larger loan book.

Data gaps retained

- [DATA GAP: DBS does not disclose standalone revenue within Institutional Banking for credit, cash management, trade finance, securities and fiduciary services, customer treasury sales, or investment banking.]
- [DATA GAP: Group investment-banking, transaction-services and loan-related fee pools are not assigned to reportable segments and are not allocated in this model.]
- [DATA GAP: Institutional Banking deposits, deposit mix, deposit beta, NII, NIM, expenses, allowances, credit cost, RWA and product-level Profit before tax are not separately disclosed in the data package.]
- [DATA GAP: Standalone quarterly Institutional Banking income and Profit before tax are not available as one consistent four-quarter series; the model uses the clean H1 and repaired TTM schedules.]
- [DATA GAP: Gross group industry concentrations are not mapped to Institutional Banking; no bucket is assigned wholly to the segment.]

This appendix contains no trade, ranking, sizing, portfolio or messaging authority. `trade_execution_authorized=false`.

Appendix B3 - Markets Trading

Markets Trading — Segment Deep Dive

Company: DBS Group Holdings Ltd **Forecast anchor:** TTM ended 30 June 2026 **Exact horizon:** 30 June 2031 **Currency and scale:** SGD million unless stated otherwise **Exact segment profit basis: Profit before tax**

0. Segment boundary and taxonomy note

Markets Trading is a current-taxonomy reportable segment only from the retrospectively restated FY2023 comparative. DBS renamed Treasury Markets to Global Financial Markets in first-quarter 2024, moved equity capital markets, DBS Vickers and DBS Digital Exchange customer income into the customer segments, and refined cost allocations. The surviving Markets Trading perimeter is structuring, market-making and trading. Customer treasury sales sit in Consumer Banking / Wealth Management and Institutional Banking and must not be counted here. FY2021–FY2022 Treasury Markets figures are therefore useful only as evidence of broad cyclicality, not as a dollar-comparable history or a forecast base. All dollar comparisons and the model start with the FY2023-restated series. [data_package §1, reporting-structure paragraph and FY2025 segment table; §10, taxonomy flags]

1. What this segment actually is

Markets Trading is the risk-taking and market-intermediation core of DBS's Global Financial Markets platform. Its economic job is to quote prices, warehouse and hedge market risk, structure instruments, recycle inventory and respond to market opportunities across rates, foreign exchange, credit spreads, equities and commodities. It is not the entire treasury franchise. If a corporate client buys a hedge through an Institutional Banking relationship manager, or a wealth client transacts through the consumer franchise, the resulting customer-sales income is recorded in those customer segments. Markets Trading retains the economics of the trading and market-making perimeter itself. That boundary matters: adding DBS's disclosed record treasury customer sales to this segment would double count earnings already assigned elsewhere.

The segment serves other dealers, institutional counterparties and the internal customer franchises through a market infrastructure rather than a conventional branch-led go-to-market model. Revenues arise from bid-offer capture, structuring economics, inventory carry, hedging results, valuation changes and trading opportunities. The data package does not disclose those components separately, nor does it disclose revenue by asset class. Accordingly, this appendix treats “Structuring, market-making and trading” as the sole issuer-disclosed forecast line. Rates, FX, credit, equity and commodity are analyzed as risk drivers, not fabricated revenue products. [data_package §4, Segment/Product table, Markets Trading row]

Pricing is transaction- and risk-specific. Liquid products generally offer narrow spreads but high turnover; customized or less-liquid instruments can earn wider spreads but consume more balance sheet, valuation reserves, hedging capacity and regulatory capital. The bank must price not just observable market risk but funding, liquidity, counterparty credit, model uncertainty, operational complexity and the option value it grants the counterparty. Revenue can therefore rise when volatility creates client and interdealer activity, but volatility is not mechanically positive. Orderly two-way movement is often favorable; gaps, broken correlations, poor liquidity or crowded inventory can turn the same environment into losses and higher capital consumption.

Unlike a fee annuity, Markets Trading begins each year with only limited visibility. Many positions are short-lived; inventory and hedges are continuously rebalanced; and realized outcomes depend on the path of prices, not simply end-period levels. The segment nevertheless has a franchise component. DBS operates from Singapore, an important regional liquidity center, and can use its Asian network, currencies, corporate relationships, balance sheet and technology to intermediate flows. The most durable earnings are likely those generated by recurring facilitation and disciplined spread capture. Directional opportunity and valuation movements should be treated as volatile overlays.

2. Current economics

The TTM anchor is segment total income of **SGD 1,451 million** and **Profit before tax of SGD 623 million**, implying a **42.9% Profit before tax margin**. The TTM is the repaired H2 2025 plus H1 2026 basis: H2 2025 produced SGD 593 million of income and SGD 175 million of PBT, while H1 2026 produced SGD 858 million of income and SGD 448 million of PBT. That swing demonstrates why a single favorable half cannot be annualized mechanically. [data_package §3a, Repaired TTM component bases, Markets Trading row]

FY2025 income was SGD 1,374 million and PBT was SGD 568 million, a 41.3% margin. H1 2026 income grew 9.9% year on year to SGD 858 million, while Q2 2026 income was SGD 469 million, up 12%. Yet the half-year comparison embeds unusually constructive trading conditions and follows a very weak H2 2025 PBT outcome. The proper current conclusion is that the segment is earning above its FY2023–FY2024 current-taxonomy levels, not that double-digit quarterly growth is a permanent run rate. [data_package §3, Markets trading context table; §4, Recent disclosed growth table; §5, segment half-year table]

Current-taxonomy performance has been exceptionally elastic. Income rose from SGD 725 million in FY2023 to SGD 922 million in FY2024 and SGD 1,374 million in FY2025. PBT rose from SGD 45 million to SGD 185 million and then SGD 568 million; the corresponding margin expanded from 6.2% to 20.1% and 41.3%. This is much more than ordinary fixed-cost leverage. It reflects revenue opportunity, trading outcome, inventory mix and costs moving together. The range warns against choosing the latest 42.9% TTM margin as a normalized floor. [data_package §3, Markets trading context table]

DBS does not disclose Markets Trading asset-class revenue, average trading assets, allocated equity, segment RWA, desk-level expected shortfall or compensation expense in the data package. Those are genuine limits on a bottom-up product model. The segment is clearly capital-intensive in an economic sense even when accounting income is high: market-making requires inventory, collateral, counterparty limits, liquidity buffers, settlement capacity and market-risk capital. Unlike a factory, its physical capex is not the main constraint. The binding resources are risk appetite, balance sheet, regulatory capital, high-quality data, pricing infrastructure and scarce specialist talent.

[DATA GAP: DBS does not disclose revenue or Profit before tax by rates, FX, credit, equities, commodities, structuring or market-making within Markets Trading. It also does not disclose segment-specific trading assets, RWA, allocated capital, compensation or a clean four-quarter standalone segment series. No subproduct dollars are inferred.]

3. Unit economics

The cleanest mental model is gross trading income less people, technology, infrastructure, control and risk costs, followed by credit and other loss effects where allocated. A market-making desk earns the bid-offer spread and any structuring margin, then incurs the cost of hedging and financing inventory. A profitable position can still be unattractive if it consumes excessive liquidity or capital. Conversely, a low-spread flow may be valuable if it is repeatable, turns over quickly and offsets other inventory. The economic “unit” is therefore not a trade in isolation but risk-adjusted revenue per unit of balance sheet, liquidity, expected shortfall and operational capacity.

Revenue quality varies. Facilitation income can be relatively repeatable when DBS has recurring counterparty relationships and dense flow. Carry income depends on the cost of funding and the shape of curves and spreads. Valuation gains and directional trading are less durable. Structured products may earn attractive upfront economics but create long-dated hedging, model and conduct obligations. The disclosed segment total does not separate these sources, so the forecast uses explicit scenario ranges rather than assigning invented recurring percentages.

Expenses contain both fixed and variable elements. Core trading systems, electronic connectivity, market data, cybersecurity, independent risk, compliance, valuation control, collateral management and settlement infrastructure create a fixed platform. Front-office compensation and some execution and infrastructure charges vary with activity and results. When revenue rises, a large fixed base can create sharp PBT leverage; when income falls, compensation can adjust but technology, controls and core talent cannot be removed quickly without damaging the franchise. This asymmetry explains how the margin moved from 6.2% in FY2023 to 41.3% in FY2025 without implying that 41% is structurally guaranteed.

Funding and capital are part of the cost stack even if the segment note does not show them separately. Inventory must be financed. Derivatives require collateral and counterparty capacity. Less-liquid or longer-dated positions carry larger liquidity and valuation adjustments. Regulatory market-risk capital also penalizes sensitivity, curvature, default and residual risks. The Basel Committee's market-risk framework maintains a clear trading-book/banking-book boundary, uses risk-sensitive standardized charges and, under internal models, expected shortfall and separate treatment for non-modellable risk factors. This reduces the ability to manufacture apparent returns through undercapitalized tail risk. [Basel Committee, minimum capital requirements for market risk](https://www.bis.org/bcbs/publ/d457.htm)

Margin rises when client and interdealer activity is strong, bid-offer capture is healthy, inventory turns quickly, hedges behave as expected and platform costs are absorbed over more revenue. Margin falls when volatility is one-way, correlations break, liquidity evaporates, valuation reserves increase, risk limits constrain new business or costly hedges are required. A calm market can also hurt if volumes and spreads compress. The most favorable state is not maximum volatility; it is active, liquid, two-way volatility that produces flow without forcing the bank to warehouse unmanageable tail exposures.

The TTM 42.9% PBT margin is thus best read as a high but plausible outcome in a strong environment. Base case margin falls to 39.0% by the exact five-year horizon, 390 basis points below TTM, because the forecast assumes normalized opportunity, continued platform investment and no permanent monetization of the latest favorable mix. Bear case reaches 30.0% after passing through a deeper cyclical trough. Bull case reaches 46.0%, requiring both constructive volume and disciplined risk deployment rather than merely higher volatility. [data_package §3a, Repaired TTM component bases, Markets Trading row]

4. Competitive dynamics

Competition is global and local. The most direct Singapore peers are UOB Global Markets and OCBC Global Markets, while large international dealers compete in major currencies, rates, credit and derivatives. Electronic market makers and non-bank liquidity providers compete aggressively in standardized, high-volume products. Exchanges, central clearing, all-to-all venues and algorithmic execution reduce information and spread advantages in commoditized instruments. The segment's strongest terrain is likely where regional relationships, Asian-market knowledge, local-currency liquidity, cross-border balance sheet and structured risk intermediation matter together.

Peer disclosures confirm that the opportunity can be large but volatile and that segment boundaries differ. UOB reported FY2025 Global Markets income of roughly SGD 1.1 billion, up 51%, led by lower funding costs and growth across FX and equities. OCBC reported FY2025 Global Markets PBT of SGD 948 million, up 67%, driven by higher asset spreads and treasury market assets even as net trading income declined and expenses rose. These are not apples-to-apples valuation comparables: OCBC's perimeter includes management of group asset-liability rate positions and customer solutions, while DBS assigns customer treasury sales to customer segments. The peer evidence is useful for direction—Singapore bank markets earnings can surge or mix-shift—not for setting a mechanical DBS margin. [UOB Annual Report 2025](https://www.uobgroup.com/investor-relations/assets/pdfs/investor/annual/uob-annual-report-2025.pdf); [OCBC Annual Report 2025](https://www.ocbc.com/iwov-resources/sg/ocbc/gbc/pdf/investors/annual-reports/2025/2025-annual-report-en.pdf)

The structural market backdrop is favorable. BIS reported global OTC FX turnover of USD 9.6 trillion per day in April 2025, up 28% from 2022. Singapore's share reached 11.8%, up from 9.5%, making it the third-largest center; the top four centers handled 75% of global trading. This supports a growing regional liquidity pool and deeper counterparty network. It does not imply DBS grows with turnover: international dealers and non-bank firms can capture much of the incremental activity, and gross turnover is not revenue. [BIS 2025 Triennial Survey](https://www.bis.org/statistics/rpfx25_fx.htm)

Pricing power is therefore conditional. In liquid G10 FX or standardized rates, counterparties can compare quotes instantly and route to multiple venues. Scale, latency, inventory data and balance sheet determine economics; headline pricing power is limited. In Asian currencies, cross-border hedging, customized structures and fragmented liquidity, a regional bank can have more defensible information, relationships and execution capability. Regulation is both a barrier and a cost. Capital, model governance, conduct, anti-money-laundering, sanctions, margin, collateral and settlement controls raise the minimum efficient scale, but they also keep the cost base high.

Substitution risk is most acute where workflows can be automated. Electronic venues and systematic liquidity provision compress spreads and reduce dependence on voice trading. AI can improve pricing, surveillance and hedging, but it is unlikely to remove the need for balance sheet, credit intermediation, legal documentation and accountability. The likely outcome is a barbell: standardized execution becomes cheaper and more automated, while complex or balance-sheet-heavy intermediation remains relationship- and capital-intensive. DBS must keep investing merely to preserve competitiveness.

5. Moat at the segment level

Markets Trading has a real but narrower moat than DBS's overall deposit and wealth franchise. Its advantages are network position, institutional trust, Asian connectivity, regulatory licenses, local-market knowledge, balance sheet and the fixed-cost platform needed to price and control risk continuously. Singapore's growth as an FX center increases the value of being embedded in the local ecosystem. Dense order flow can improve price discovery and inventory netting, which in turn allows better pricing and attracts more flow. That flywheel is strongest when counterparties value DBS's regional coverage and credit standing.

The moat is not an entitlement to high margins. Top global dealers have greater scale, broader product coverage and deeper technology budgets. Non-bank market makers may have faster models and lower cost in electronic products. Staff and trading intellectual property can move between firms. A few poor risk decisions can erase years of franchise economics. Unlike deposits, trading positions can be repriced or moved rapidly by sophisticated counterparties. This makes risk culture and

institutional controls part of the moat, but also makes the moat hard to observe externally.

Over five to ten years, the defensible element is likely disciplined facilitation tied to DBS's Asian network, not proprietary directional risk. The separation of customer treasury sales into CBWM and IB means some franchise benefit appears outside Markets Trading even when the trading platform enables it. That accounting boundary understates the platform's strategic relevance but prevents us from claiming customer revenues in this segment. The stand-alone moat deserves a “moderate” rather than “wide” characterization: sufficient to sustain a profitable platform across cycles, insufficient to protect a 40%-plus PBT margin in every environment.

6. Historical growth rates

Only FY2023–FY2025 are current-taxonomy comparable. The table deliberately excludes FY2021–FY2022 old Treasury Markets dollars from CAGR calculations. Three annual observations provide only two compounding intervals, so a true three-year CAGR is not measurable; the displayed 37.7% is explicitly the FY2023-to-FY2025 two-year CAGR. Every historical value is reproduced from the data package.

Product / sub-segment	FY2023 rev	FY2024 rev	FY2025 rev	Comparable CAGR	Most recent YoY	Data package cite
Structuring, market-making and trading; segment total	725 [data_package §3, Markets trading context, Total income row]	922 [data_package §3, Markets trading context, Total income row]	1,374 [data_package §3, Markets trading context, Total income row]	37.7% two-year [data_package §3, same row; calculated across two intervals]	Q2 2026 +12% [data_package §4, Recent disclosed growth, Q2 2026 Markets Trading income row]	[data_package §3, Markets trading context table; §4, recent-growth table]

Arithmetic checks: SGD 725 million × 1.272 = SGD 922 million, matching FY2024 within rounding. SGD 922 million × 1.490 = SGD 1,374 million, matching FY2025 within rounding. No figure was back-solved. The two current-taxonomy disclosed YoY rates therefore tie within the required 2% tolerance.

For context only, old-taxonomy Treasury Markets income was SGD 1,509 million in FY2021 and SGD 1,174 million in FY2022. Those figures show that markets income can move sharply, but they cannot be joined to FY2023 because product and cost boundaries changed. [data_package §3, Markets trading context table]

The recent series should not be interpreted as a 37.7% structural growth rate. It begins from a depressed FY2023 base, when current-taxonomy PBT margin was only 6.2%, and culminates in a strong FY2025. TTM income of SGD 1,451 million is only 5.6% above FY2025 on an overlapping-period comparison, while Q2 2026 was up 12% year on year. The model therefore forces substantial growth normalization in all three scenarios.

7. Management guidance

Management explicitly declined to give a trading forecast. This absence is forecast-relevant rather than a weakness in the source set.

- **Q4 FY2025, 9 February 2026, Tan Su Shan, CEO:** “January's momentum was very strong. Early Feb was not bad, but it is notoriously hard to predict trading, so I cannot give you any guidance.” [data_package §6, Institutional Banking and Markets Trading, Q4 FY2025 quote] The interpretation is direct: early-2026 strength supports the H1 outcome, but management does not consider it forecastable. Our base case uses mid-cycle normalization rather than annualizing the opening months.

Other commentary in the same subsection concerns bancassurance, synthetic risk transfer, Taiwan and India profit, and TMT corporate lending. Those items belong primarily to customer segments, group capital management or geography and are not numerical Markets Trading guidance. They are not used to raise this segment's revenue. [data_package §6, Institutional Banking and Markets Trading]

[DATA GAP: Management provided no numerical Markets Trading revenue, PBT, margin, volume, asset-class or risk-appetite guidance for FY2026 or later. The quoted refusal to guide is the controlling anchor.]

8. Forward growth assumptions

Because no subproduct revenue is disclosed, the single product line equals the segment total in every case. “Mgmt FY+1 guide” is shown as none rather than substituting group guidance. Growth begins at TTM income of SGD 1,451 million and ends exactly five calendar years later on 30 June 2031.

Base case growth

Product	Historical CAGR	Latest YoY	Mgmt FY+1 guide	Base CAGR TTM to TTM+5y	Justification
Structuring, market-making and trading	37.7% FY2023–FY2025 two-year CAGR	Q2 2026 +12%	None; management declined trading guidance	2.9%	Growth normalizes sharply from a depressed-base rebound; Singapore market depth and platform scale support low-single-digit expansion, while electronic competition and cyclicality cap compounding.

The annual base cadence is +1.0%, +3.0%, +4.0%, +3.5% and +3.0%. The first year is deliberately weakest despite H1 momentum because a rolling TTM already contains the favorable H1 2026 period and because management says trading is notoriously hard to predict. The middle years allow market activity and regional depth to support moderate growth. This is not a generic “maturity” haircut: it assumes that the two-year 37.7% CAGR mostly reflected recovery from FY2023's depressed base, and that standardized execution faces spread compression. BIS evidence that Singapore has gained global FX share provides structural support but not a one-for-one revenue relationship.

Bull case growth

Product	Historical CAGR	Latest YoY	Mgmt FY+1 guide	Bull CAGR TTM to TTM+5y	Justification
Structuring, market-making and trading	37.7% FY2023–FY2025 two-year CAGR	Q2 2026 +12%	None; management declined trading guidance	5.9%	Constructive two-way volatility, deeper Singapore liquidity and better electronic share sustain above-base turnover; growth still decelerates far below the rebound history because favorable trading cannot be extrapolated indefinitely.

The bull cadence is +10.0%, +6.0%, +5.0%, +5.0% and +3.5%. This preserves one more strong year but then fades. The driver is not indiscriminate volatility. It is active and liquid markets, effective inventory netting, deeper institutional participation and successful technology investment. UOB's strong FX/equities year and the rise in Singapore's FX share show such an environment is plausible. The fading rate acknowledges that competitors observe the same opportunity, price more aggressively and add capacity.

Bear case growth

Product	Historical CAGR	Latest YoY	Mgmt FY+1 guide	Bear CAGR TTM to TTM+5y	Justification
Structuring, market-making and trading	37.7% FY2023–FY2025 two-year CAGR	Q2 2026 +12%	None; management declined trading guidance	(1.3%)	Revenue falls as favorable H1 conditions reverse, one-way markets and limit usage impair activity, then recovers slowly; horizon income remains above FY2024 but below the TTM peak.

The bear cadence is (10.0%), (5.0%), +2.0%, +3.0% and +4.0%. This is a cycle, not permanent franchise failure. A disorderly shock can initially widen spreads while still hurting PBT through hedging slippage, losses and valuation reserves. The second-year decline captures delayed de-risking and reduced risk appetite. Recovery follows as liquidity returns, but the horizon remains below TTM. The path is more credible than applying a constant negative CAGR because trading downturns tend to be abrupt and recoveries uneven.

9. Forward Profit before tax margin assumptions

The exact metric is **Profit before tax**. No corporate, CSR, tax, NCI or statutory-bridge adjustment is allocated here. The starting margin is 42.9% on TTM income of SGD 1,451 million and PBT of SGD 623 million. Because the issuer discloses no product margins, the sole line and segment margin are identical.

Case	Product / segment line	TTM Profit before tax margin	2031-06-30 Profit before tax margin	Change	Mechanism
Bear	Structuring, market-making and trading	42.9%	30.0%	(1,290) bp	Revenue shock, hedging slippage, valuation reserves and risk-limit tightening overwhelm partial compensation flexibility; recovery restores only part of the lost operating leverage.
Base	Structuring, market-making and trading	42.9%	39.0%	(390) bp	Current favorable mix normalizes while technology, controls and talent remain necessary; modest scale offsets some pressure but does not preserve peak-like TTM conversion.
Bull	Structuring, market-making and trading	42.9%	46.0%	+310 bp	Higher liquid turnover, better inventory netting and platform absorption create leverage; the case requires disciplined risk rather than larger unhedged positions.

The margin paths also imply an explicit expense stress test rather than favorable-anchor extrapolation. TTM implied segment expenses are SGD 828 million (SGD 1,451 million income less SGD 623 million PBT). At the horizon, implied expenses are SGD 949 million in bear, SGD 1,021 million in base and SGD 1,043 million in bull, corresponding to five-year expense CAGRs of about 2.8%, 4.3% and 4.7%. Base margin compression therefore reflects expenses growing faster than the 2.9% income CAGR; bull margin expansion requires the 5.9% income CAGR to outpace expenses; and bear retains a materially higher nominal cost base despite revenue remaining below TTM. These are scenario implications, not issuer guidance or separately disclosed segment expense forecasts.

The base decline exceeds 100 basis points because a 42.9% starting margin follows two strong quarters and a 41.3% FY2025 margin, far above 20.1% in FY2024. Fixed platform costs provide leverage, but the same fixed costs also prevent a full reset when revenue softens. A 39.0% horizon margin assumes Markets Trading retains substantial franchise quality while paying for automation, model governance, cyber resilience and independent control.

The bear case does not use the FY2023 6.2% margin as the horizon. That year was the first current-taxonomy observation and a severe low outcome. Instead, the annual path includes a temporary 24.0% trough in year two and returns to 30.0% by year five. The mechanism is explicit: income falls faster than fixed costs, risk and valuation costs rise, and limits constrain participation; later, variable compensation and balance-sheet reallocation help rebuild conversion.

The bull case's 46.0% margin is demanding. It depends on revenue quality, not just volume: two-way flows, quick inventory turnover, limited tail losses, reliable hedges and cost absorption. The segment cannot reach the bull outcome sustainably by relaxing limits because capital, stress and valuation costs would rise. Basel's framework and DBS's institutional risk controls make unlimited balance-sheet expansion neither available nor desirable.

10. Segment rollup and exact annual cadence

All rollups begin from the TTM anchor, contain exactly five forecast years and reconcile because the one disclosed activity line equals segment total income. Profit before tax is total income multiplied by the stated margin, rounded to the nearest SGD million. The TTM anchor PBT is the issuer-disclosed SGD 623 million rather than a recalculation from the rounded 42.9% margin. [data_package §3a, TTM ended 2026-06-30 sealed bridge and Repaired TTM component bases, Markets Trading rows]

Bear annual cadence

Period end	Segment total income	YoY growth	Profit before tax margin	Profit before tax
TTM 2026-06-30	1,451	Anchor	42.9%	623
2027-06-30	1,306	(10.0%)	32.0%	418
2028-06-30	1,241	(5.0%)	24.0%	298
2029-06-30	1,266	2.0%	27.0%	342
2030-06-30	1,304	3.0%	29.0%	378
2031-06-30	1,356	4.0%	30.0%	407

Base annual cadence

Period end	Segment total income	YoY growth	Profit before tax margin	Profit before tax
TTM 2026-06-30	1,451	Anchor	42.9%	623
2027-06-30	1,465	1.0%	39.0%	571
2028-06-30	1,509	3.0%	37.5%	566
2029-06-30	1,569	4.0%	38.0%	596
2030-06-30	1,624	3.5%	38.5%	625
2031-06-30	1,673	3.0%	39.0%	652

Bull annual cadence

Period end	Segment total income	YoY growth	Profit before tax margin	Profit before tax
TTM 2026-06-30	1,451	Anchor	42.9%	623
2027-06-30	1,596	10.0%	45.0%	718
2028-06-30	1,692	6.0%	44.0%	744
2029-06-30	1,777	5.0%	44.5%	791
2030-06-30	1,866	5.0%	45.5%	849
2031-06-30	1,931	3.5%	46.0%	888

Horizon rollup reconciliation

Case	Activity-line revenue	Segment total income	Difference	Profit before tax margin	Profit before tax
Bear	1,356	1,356	0.0%	30.0%	407
Base	1,673	1,673	0.0%	39.0%	652
Bull	1,931	1,931	0.0%	46.0%	888

The zero differences satisfy the 1% rollup requirement. More granular apparent precision would be false: there is no issuer-disclosed rates/FX/credit/equity/commodity income split from which to reconstruct separate forecasts. This rollup therefore preserves the narrowest disclosed line and makes asset classes scenario drivers only.

Probabilities are intentionally nonuniform: 50% base, 30% bear and 20% bull. Base receives the highest weight because the segment has a genuine regional platform but trading normalizes. Bear exceeds bull because the TTM anchor already follows unusually favorable conditions, management refuses to guide, and tail losses can be nonlinear. Bull remains material because Singapore's liquidity-center growth and the segment's operating leverage can sustain a higher outcome when volatility is orderly.

11. Key risks and wildcards

Market-path risk — bear. End-point forecasts obscure the path dependence of trading P&L. A move that looks modest over a year can contain gaps, reversals and broken correlations that damage hedges. Rates, credit spreads, FX and equity volatility can interact, so diversification observed in normal periods may disappear during stress.

Mean reversion after favorable conditions — bear/base. FY2025 and H1 2026 were strong, while management specifically declined guidance. The model's key judgment is how quickly income and margin normalize. If the TTM contains more opportunistic gains and less repeatable facilitation than assumed, even the base case is too high.

Risk-limit and capital intensity — bear. Market-risk capital, counterparty limits, liquidity and internal expected-shortfall constraints can force the segment to reduce activity precisely when spreads widen. This protects the group but can cap revenue or crystallize hedging costs. Basel's market-risk framework also emphasizes non-modellable risk factors and stressed loss capture, making complex or illiquid positions more expensive.

Technology and electronic pricing — bear/base. Algorithms, venues and non-bank liquidity providers compress spreads in standardized products. DBS must invest in pricing, connectivity, data, surveillance and automation to defend relevance. Technology can lower unit costs, but benefits may accrue to customers through tighter prices rather than to segment margins.

Regional market deepening — bull. Singapore's 11.8% global FX-center share and rising institutional participation can create more flow, better inventory netting and broader opportunities. The wildcard is capture: market turnover can rise without equivalent DBS revenue if global dealers or non-bank firms win the activity.

Funding and collateral — bear/base. Wider basis, higher initial margin or less favorable collateral terms can reduce returns even when reported trading income appears strong. Funding-cost changes also alter inventory carry. Because segment-specific balance-sheet usage is not disclosed, the model represents this mainly through margins.

Valuation and model risk — bear. Structured and less-liquid instruments depend on models, inputs and reserves. Disputed marks, non-observable inputs or model changes can produce losses, capital charges and conduct scrutiny. Tail exposures may not be visible in a smooth recent P&L history.

Counterparty and settlement risk — bear. Trading creates replacement-cost and settlement exposures. BIS notes that payment-versus-payment eliminates FX settlement risk, but a significant share of global settlement still uses methods that mitigate rather than eliminate it. Concentration, operational failure or counterparty default can convert gross activity into unexpected loss. [BIS, FX settlement risk from the 2025 survey](https://www.bis.org/publ/qtrpdf/r_qt2606c.htm)

Regulatory perimeter and conduct — bear/base. Capital rules, benchmark standards, sanctions, market-abuse surveillance and suitability requirements can raise costs or constrain products. Regulation is simultaneously a barrier to entry and a recurring investment burden. A conduct event can damage the institutional trust on which a dealer franchise depends.

Talent and risk culture — all cases. Traders, structurers, technologists and independent control specialists are mobile. Compensation discipline must retain talent without encouraging hidden tail risk. Bull economics require strong teams and culture; bear outcomes can emerge from either weak retention or incentives that reward short-term P&L at the expense of risk-adjusted returns.

Taxonomy leakage — analytical risk. The largest modeling error would be to add customer treasury sales to Markets Trading. The segment platform may enable those revenues, but accounting assigns them to CBWM and IB. This appendix forecasts only the disclosed Markets Trading total income and Profit before tax.

Summary

Case	Segment TTM+5y Revenue	Exact profit metric	Segment TTM+5y Profit Margin	Segment TTM+5y Profit	Probability
Bear	SGD 1,356 million	Profit before tax	30.0%	SGD 407 million	30%
Base	SGD 1,673 million	Profit before tax	39.0%	SGD 652 million	50%
Bull	SGD 1,931 million	Profit before tax	46.0%	SGD 888 million	20%

The central underwriting conclusion is deliberately restrained: Markets Trading is a strategically useful, regionally advantaged but inherently path-dependent earnings stream. Its TTM PBT is already near the FY2025 level despite a strong H1 2026, and the recent 42.9% margin should not be capitalized as a permanent floor. Base case revenue compounds at only 2.9% from the exact TTM anchor and PBT rises from SGD 623 million to SGD 652 million, with a lower 39.0% margin. The asymmetric distribution preserves meaningful upside from Singapore's growing market role while giving greater weight to normalization and tail risk.

Appendix B4 - Others

DBS Group Holdings Ltd — Others Segment Deep Dive

Ticker: D05.SI **Segment:** Others **Forecast anchor:** TTM ended 2026-06-30 **Exact horizon:** 2031-06-30, five calendar years after the TTM anchor **Reporting unit:** SGD million unless stated otherwise **Exact segment profit metric: Profit before tax** **Authoritative DBS history:** data_package.md, SHA-256 8200378a3794433a4bf5d149c15b7db67a6fbd4007458d306a4978b26c8e3ce5 **Sealed statutory bridge:** statutory_bridge.json, SHA-256 d413769b9f8870e27014bb468dc0c62b77b8a75a6f1b97e0fa2b32aec7097e40

0. Segment boundary and taxonomy note

Others is DBS's disclosed corporate and central residual: earnings on centrally deployed capital, non-core asset sales, associates, and head-office items. It is not a customer franchise and it does not have a conventional product, customer, pricing, or distribution perimeter. The current-taxonomy boundary begins in FY2023. DBS's FY2024 reporting change refined cost allocation and moved DBS Vickers from Others to Institutional Banking, with FY2023 retrospectively restated; FY2021-FY2022 remain old-taxonomy context and are not used to set the forecast growth rate. The forward model therefore uses the current-taxonomy FY2023-FY2025 history and the sealed TTM ended 2026-06-30 anchor. This appendix does not allocate the separate SGD 100 million CSR provision into Others because the sealed bridge classifies CSR as a corporate/unallocated adjustment outside the reportable-segment PBT sum [data_package §1, reporting-structure taxonomy; §3, Others table; §3a, FY2025 and TTM sealed bridges].

1. What this segment actually is

The label “Others” can sound like a small basket of leftover operations. At DBS it is economically more important and more unusual than that shorthand suggests. It collects activities and balance-sheet effects that management runs centrally rather than through Consumer Banking / Wealth Management, Institutional Banking, or Markets Trading. The data package identifies four source-supported categories: earnings on centrally deployed capital, non-core asset sales, associates, and head-office items [data_package §1; §3a, Forecast-driver ledger, Others row]. Their individual income and PBT contributions are not disclosed, so none can be identified as the source of the current above-100% PBT ratio.

There is no external customer archetype for the segment. Retail clients belong in Consumer Banking / Wealth Management; corporate and institutional clients belong in Institutional Banking; and structuring, market-making, and trading belong in Markets Trading. Others is where the group-level capital and accounting perimeter closes after those franchises are measured. It may benefit when centrally retained capital earns more, when liquidity is deployed at attractive yields, when associates contribute more, or when a non-core asset is sold at a gain. It may weaken when asset yields fall, valuations reverse, central investments disappoint, or one-off benefits do not recur. None of these should be confused with pricing power over customers.

Nor is there a stand-alone go-to-market model. There is no sales force selling an “Others product,” no disclosed unit volume, and no product-level segment revenue split. The group treasury and finance functions manage capital, funding, liquidity, investments, and head-office decisions under the group’s risk appetite and regulatory constraints. The segment is thus best understood as a centrally managed earnings pool whose size and PBT are functions of balance-sheet choices, rate levels, capital deployment, associate results, non-core transactions, and accounting allocation. Forecasting it as if it were a software subscription or lending franchise would create false precision.

The “total income” top line is nevertheless real and disclosed. It is the exact segment top line that rolls into group total income. The exact profit measure is also real and additive: Profit before tax. The sealed bridge sums the four reportable segments’ PBT and then applies the separate CSR line to reach the governed bank endpoint and statutory PBT. That makes Others necessary to the combined model, even though it is not analytically separable into products.

The closest peer analogy is a corporate-centre or “other activities” segment, but peer comparisons are hazardous. UOB’s FY2025 annual report says its Others segment includes non-banking activities, corporate functions, and decisions not attributable to its main business segments. That confirms the broad industry convention but not economic comparability, because each bank allocates central funding, support costs, investments, property, and eliminations differently. See [UOB Annual Report 2025](https://www.uobgroup.com/investor-relations/assets/pdfs/investor/annual/uob-annual-report-2025.pdf). OCBC likewise reports an Others column in its segment note, but its business mix and allocation rules differ. See [OCBC Annual Report

2025](https://www.ocbc.com/iwov-resources/sg/ocbc/gbc/pdf/investors/annual-reports/2025/2025-annual-report-en.pdf). These peer disclosures support the classification concept; they do not provide a valid market share or margin benchmark for DBS.

2. Current economics

The clean current anchor is TTM ended 2026-06-30: segment total income of SGD 2,135 million and Profit before tax of SGD 2,467 million, implying a mechanically calculated PBT-to-income ratio of 115.6%. The TTM is exactly H2 2025 plus H1 2026: income of SGD 1,013 million plus SGD 1,122 million, and PBT of SGD 1,313 million plus SGD 1,154 million [data_package §3a, Repaired TTM component bases, Others row]. The half-year split shows the segment's volatility plainly. H1 2026 income was 5.3% above H1 2025, yet PBT was 22.0% higher, while H2 2025 PBT was much larger than H1 2025 PBT despite slightly lower income. A smooth operating-margin model would miss this behaviour.

Current-period measure	FY2025	TTM ended 2026-06-30	Source and interpretation
Segment total income	2,079	2,135	[data_package §3, Others Total income row; §3a, Repaired TTM component bases]
Profit before tax	2,259	2,467	[data_package §3, Others Profit before tax row; §3a, TTM sealed bridge]
PBT divided by total income	108.7%	115.6%	Calculated from the two source rows; not a franchise operating margin
Share of group total income	9.1%	9.2%	FY2025 disclosed in [data_package §1]; TTM calculated as 2,135 / 23,304
Share of reportable-segment PBT sum	17.2%	18.3%	FY2025 disclosed in [data_package §1]; TTM calculated as 2,467 / 13,490

The PBT ratio above 100% is the main analytical warning. It does not mean the segment has a 115.6% customer margin or that it can earn more than one dollar of franchise profit per dollar of customer revenue indefinitely. It means the segment perimeter includes centrally managed effects whose relationship to the disclosed income line is not the same as a conventional revenue-minus-operating-cost business. On the disclosed arithmetic, TTM PBT exceeds income by SGD 332 million. The data package does not provide a component bridge for that SGD 332 million, so this appendix does not label it as a particular gain, expense credit, associate contribution, or allocation reversal. It is simply the source-bound difference between the disclosed measures. Any more granular attribution would be fabrication.

FY2025 shows the same pattern: PBT exceeded total income by SGD 180 million. The increase in the difference from SGD 180 million to SGD 332 million is another reason not to carry the TTM 115.6% ratio mechanically through 2031. A source-bound model should explicitly normalize some of that advantage in the base case, allow a sharper reversal in the bear case, and preserve favorable capital and associate outcomes in the bull case. The endpoint assumptions below do exactly that.

Capital intensity is different from an industrial segment. DBS disclosed group capex of SGD 525 million in FY2025, but it did not allocate that capex to Others, and this appendix does not invent an allocation [data_package §7]. The economically relevant capital is regulatory and balance-sheet capital. At H1 2026, DBS had SGD 63,516 million of CET1 capital, SGD 381,940 million of risk-weighted assets, a reported CET1 ratio of 16.6%, a fully phased ratio of 14.6%, a 5.8% leverage ratio, a 142% liquidity coverage ratio, and a 113% net stable funding ratio [data_package §0a, Current loan, credit, capital and liquidity inventory]. Those group measures constrain how much capital and liquidity can be deployed, how much is retained centrally, and how much may ultimately be distributed. They are not assets "owned" by Others, but they are the balance-sheet context for its earnings.

There is no source-supported sub-product share. Centrally deployed capital, associates, non-core asset sales, and head-office items are named, but their individual income and PBT are not disclosed in the data package. Accordingly, the forecast uses one modeled line—Others central residual—and varies its total income and PBT ratio by scenario. This is less granular than a product build, but it is more faithful than assigning arbitrary percentages to invisible components.

3. Unit economics

3.1 The earnings conversion

For a conventional banking franchise, one might model balances, spreads, fee rates, operating costs, and credit allowances. Others is different because the segment boundary is defined by central ownership and allocation rather than a customer

proposition. Its “unit” is effectively a pool of centrally managed capital and activities, not a loan, account, client, or transaction. The four disclosed perimeter categories below motivate scenario sensitivities; they are not a source-supported bridge of the income-to-PBT conversion or of the SGD 332 million TTM excess.

First, centrally deployed capital earns a return. The relevant volume is affected by the group’s capital generation, risk-weighted-asset growth, distributions, regulatory buffers, and liquidity requirements. The relevant yield is affected by interest rates, reinvestment opportunities, asset mix, hedging, and duration. Higher capital is not automatically better: retaining excessive low-yielding capital can depress group ROE even while supporting nominal central income.

Second, associate results can add or subtract earnings without following the same cadence as customer revenue. The data package identifies associates as part of the perimeter but does not disclose a five-year component series. They are therefore represented only through the aggregate scenario range, not through a fabricated associate growth rate or a claimed contribution to the current PBT ratio.

Third, non-core asset sales can create episodic income or gains. The correct baseline treatment is not to assume recurring disposals. The base case therefore allows the very high current PBT ratio to normalize, while the bull case represents favorable but bounded reinvestment and associate outcomes rather than a perpetual stream of asset-sale gains. The bear case explicitly allows the central residual to suffer both lower income and lower PBT conversion.

Fourth, head-office and centrally allocated items can change the relationship between total income and PBT. The FY2024 refined cost-allocation approach and DBS Vickers transfer demonstrate that taxonomy can alter segment economics without changing group totals [data_package §1; §3]. That history does not justify forecasting another restatement, but it means segment-level margin history should never be treated as an immutable economic law.

3.2 Why the ratio can exceed 100%

At the TTM anchor, PBT of SGD 2,467 million divided by total income of SGD 2,135 million is 115.6%. The safe interpretation is purely mechanical: the disclosed PBT measure exceeds the disclosed income line within this central perimeter. It is not evidence of negative costs in the ordinary sense, and it does not reveal which component created the excess. Because the package does not decompose it, the model uses a scenario ratio rather than pretending to forecast staff expense, depreciation, allowances, associates, and valuation movements separately.

This accounting structure creates asymmetric risk. When favorable central items recur, PBT can stay above income and the segment can represent a disproportionate share of group PBT. When they reverse, the apparent margin can fall rapidly even if total income declines only modestly. FY2023-FY2025 already show a 90.1% to 108.7% range, while the TTM reaches 115.6% [data_package §3, Others table; §3a, Repaired TTM component bases]. A forecast that fixes the TTM ratio for all five years would suppress the observable volatility.

3.3 Rate and liquidity mechanics

SORA is the Singapore dollar overnight benchmark used in the local rate ecosystem. MAS defines it as the volume-weighted average rate of unsecured overnight SGD borrowing transactions and publishes compounded SORA reference points. See the [MAS Domestic Interest Rates page](https://eservices.mas.gov.sg/statistics/dir/DomesticInterestRates.aspx) and [MAS compounded SORA methodology](https://www.mas.gov.sg/-/media/mas/frn/user-guide-for-sora-index-compounded-sora-and-mas-frn.pdf). A lower-rate environment can reduce the reinvestment yield on centrally held liquidity and capital, although hedge positioning, asset duration, and volume growth can moderate the effect.

Management’s current group guidance assumes SORA at about 1.2% for the remainder of 2026 and says group total income should exceed FY2025 despite the rate decline [data_package §6, Q2 FY2026 media-briefing quote]. That is a useful near-term boundary, but it is not an Others forecast. The bear case assumes central yields and unidentified favorable central effects are more adverse than the group-level resilience implies. The base case assumes the initial rate reset pressures income but that capital accumulation and normal reinvestment stabilize it. The bull case assumes stronger reinvestment, associates, and central outcomes without extrapolating the FY2024 growth spike. These are scenario mechanisms, not disclosed component forecasts.

3.4 Regulatory capital and reinvestment

The output floor in the Basel framework constrains the extent to which modeled risk weights can reduce required capital relative to standardized approaches. The Bank for International Settlements describes the floor as a backstop that improves comparability and limits excessive RWA variability; the framework’s steady-state calibration is 72.5% of standardized RWA.

See [BIS Basel III final reforms](https://www.bis.org/bcbs/publ/d424.pdf) and the [BIS output-floor framework](https://www.bis.org/basel_framework/chapter/RBC/20.htm?inforce=20280101&published=20201126&tldate=20260711). The data package says DBS's fully phased output-floor basis reaches 2029 [data_package §0a, capital inventory]. This can change the amount and return threshold of centrally retained capital even if customer businesses perform well.

That regulatory effect cuts both ways. More required capital can support resilience but reduce distributable excess and lower the return on marginal deployment. Active balance-sheet management, including synthetic risk transfer, loan sell-down, and syndication, can release capacity. Management calls synthetic risk transfer "one tool in the capital management toolbox," not a structural earnings source [data_package §6, Q2 FY2026 analyst-call quote]. The forecast therefore does not book synthetic securitisation income. It treats capital efficiency as a condition affecting the central residual's range.

3.5 Reinvestment need and failure modes

The segment's reinvestment need is not plant or equipment; it is continual allocation of capital and liquidity at acceptable risk-adjusted returns. A favorable year can be followed by a weaker one if gains fail to recur or yields reset. Conversely, a down year can recover as securities roll into higher yields, associates improve, or excess capital is redeployed. That nonlinearity motivates an annual cadence rather than a single CAGR applied smoothly.

The base case's five-year endpoint PBT remains below the TTM PBT despite modest income growth. That is deliberate normalization, not an assertion that the central franchise is deteriorating. The bear case compresses both income and the PBT ratio, producing a trough in year two before partial recovery. The bull case allows PBT to rise, but its endpoint PBT ratio eases from a year-two peak rather than staying at the most favorable point forever.

4. Competitive dynamics

Others does not compete for customers and has no meaningful market share. Its competitive question is whether DBS manages central capital, liquidity, investments, and head-office resources better than peers while preserving group flexibility. The relevant comparisons are therefore capital efficiency, funding quality, risk discipline, associate governance, and allocation—not product growth.

DBS enters the forecast with a strong disclosed balance-sheet position. H1 2026 reported CET1 was 16.6%, fully phased CET1 14.6%, leverage 5.8%, LCR 142%, and NSFR 113% [data_package §0a]. These ratios provide capacity to absorb shocks and make deliberate deployment choices. They are not a guarantee of superior returns. A peer with less excess capital but equally sound funding could show a smaller "Others" profit while delivering a higher group ROE. Segment PBT scale alone is therefore not a competitive score.

Peer segment accounting reinforces this caution. UOB includes corporate functions, non-banking activities, property, insurance, and investment management in Others. OCBC's segment disclosure has its own Others and elimination columns. DBS includes centrally deployed capital, non-core sales, associates, and head-office items. Because these perimeters differ, comparing their published margins would mix economics and allocation policy. No peer "price" or share metric exists.

The closest thing to pricing power is the ability to source stable, low-cost funding and deploy it centrally without taking excessive duration, credit, or market risk. But that advantage belongs to the group's deposit and risk-management franchise, not to Others as a stand-alone business. The segment cannot independently raise customer prices. Its returns are derivative of the group's balance sheet and capital decisions.

Entry barriers are similarly indirect. A new bank cannot quickly replicate DBS's deposit base, capital stock, liquidity infrastructure, regulatory permissions, risk systems, and institutional relationships. Yet those barriers protect DBS overall. They do not make the residual line immune from accounting changes or fair-value volatility. The more useful question is whether central management avoids permanent capital loss while redeploying excess capital through the cycle.

Substitution risk takes the form of internal reallocation. If DBS changes segment boundaries, transfers an activity, refines cost allocations, or centralizes/decentralizes treasury functions, Others can shrink or expand without a change in group economics. The FY2023 restatement is direct evidence. That makes taxonomy stability a monitoring item and argues against valuing Others on a stand-alone multiple.

5. Moat at the segment level

Others has no independent customer moat. There are no customers locked into a central-capital product, no network effect specific to the residual, and no disclosed brand or switching-cost mechanism that protects its PBT ratio. Calling the 115.6% TTM ratio a moat would mistake accounting perimeter for economics.

What it does possess is inherited protection from the group. DBS's balance sheet, regulatory standing, liquidity, low-cost funding base, investment-governance capabilities, and capital-management discipline create options that a weaker institution lacks. Central capital can be held, invested, distributed, or used to support growth. The skill of choosing among those uses can preserve value. A strong associate portfolio or well-timed disposal can add value. Robust risk controls can prevent the central pool from becoming a source of losses.

Those advantages are durable only if governance remains disciplined. The segment's PBT can look excellent during favorable rate, valuation, or allocation conditions, but its opacity makes it difficult for outside investors to distinguish repeatable central income from episodic contributions. The lack of a component disclosure is itself a moat-quality discount. A durable moat should be measurable enough to assess reinvestment economics; Others is not.

Over five to ten years, the central capability should remain necessary. Banks will still need to manage liquidity, regulatory capital, investments, and head-office activities. The exact amount of PBT reported in Others is less durable because allocation rules, capital returns, rates, and accounting classifications can change. The forecast therefore gives no terminal "franchise margin" premium and uses a 50% base probability rather than allowing the current ratio to dominate.

The segment-level moat verdict is **narrow operational capability, no stand-alone franchise moat**. It can be a valuable expression of DBS's group strength, but it should be underwritten as a volatile residual. The most defensible five-year claim is not that PBT compounds steadily; it is that DBS has the balance-sheet and governance capacity to keep central earnings positive in normal conditions while absorbing a wide range of outcomes.

6. Historical growth rates — reproduced from the data package

The current-taxonomy history begins in FY2023. FY2021-FY2022 are excluded from the forecast CAGR because DBS Vickers and cost allocations were subsequently moved. "Three-year CAGR" below means FY2023 to FY2025 over two compounding intervals, the standard calculation when three annual observations are available. It is shown because the required table asks for it, but the 36.9% result is not a sustainable growth anchor: FY2024 was an 85.7% step-up and FY2025 growth was only 0.9%.

Product / sub-segment	FY2023 total income	FY2024 total income	FY2025 total income	3-year CAGR	Most recent YoY	Data package cite
Others — central residual	1,110 [data_package §3, Others Total income row]	2,061 [data_package §3, Others Total income row]	2,079 [data_package §3, Others Total income row]	36.9% [calculated from the same §3 row]	0.9% FY2025 [data_package §3, Others YoY row]	[data_package §3, Others table, Total income and YoY rows]

Arithmetic tie-out: SGD 1,110 million × 1.857 = SGD 2,061 million, matching the disclosed FY2024 value within rounding. SGD 2,061 million × 1.009 = SGD 2,080 million, within SGD 1 million and 0.1% of the disclosed FY2025 value. Both checks are within the required 2% tolerance. No figure was back-solved.

The half-year and TTM data provide a more current view:

Period / calculation	Segment total income	Growth or bridge	Data package cite
H1 2025	1,066 [data_package §5, half-year segment table]	Starting half-year base [data_package §5]	[data_package §5, Others row]
H2 2025	1,013 [data_package §3a, Repaired TTM component bases]	47.5% of TTM income, calculated	[data_package §3a, Others row]
H1 2026	1,122 [data_package §5, half-year segment table]	5.3% YoY [data_package §5, Others row]	[data_package §5, Others row]
TTM ended 2026-06-30	2,135 [data_package §3a, Repaired TTM component bases]	H2 2025 plus H1 2026 [data_package §3a]	[data_package §3a, Others row]

Arithmetic tie-out: SGD 1,013 million + SGD 1,122 million = SGD 2,135 million exactly. H1 2025 income of SGD 1,066 million × 1.053 = SGD 1,122 million within rounding. The TTM is 2.7% above FY2025, but that comparison mixes overlapping periods and is not presented as an annual growth rate.

Profit history on the exact sealed metric is equally important:

Period	Segment total income	Profit before tax	PBT divided by income	Data package cite
FY2023 restated	1,110	1,000	90.1%	[data_package §3, Others table]
FY2024	2,061	2,035	98.7%	[data_package §3, Others table]

Period	Segment total income	Profit before tax	PBT divided by income	Data package cite
FY2025	2,079	2,259	108.7%	[data_package §3, Others table]
TTM ended 2026-06-30	2,135	2,467	115.6% calculated	[data_package §3a, TTM sealed bridge and Repaired TTM component bases]

The ratio has risen in each current-taxonomy observation, but the short history and residual composition make extrapolation unsafe. FY2024's income step-up and the successive above-100% ratios are evidence of volatility, not proof of a stable scale curve.

7. Management guidance — data-package quotes

[DATA GAP: The data package contains no direct numerical FY2026 or five-year guidance for Others total income, component income, or Profit before tax. It also contains no disclosed split of centrally deployed capital, associates, non-core sales, or head-office items.]

The following quotes are the complete set in data-package §6 that materially constrain an Others forecast. They are indirect group or capital-management anchors, not segment guidance.

- **Q2 FY2026, CEO, press statement:** "While the macroeconomic environment continues to evolve, our strong balance sheet, sound asset quality, healthy allowance reserves and capital position leave us well placed to capture growth opportunities and continue delivering sustainable shareholder returns." [data_package §6, Q2 FY2026 press-statement row]. This supports a positive normal-state central earnings pool. It does not quantify the return on capital, identify the source of the current PBT excess, or protect against year-to-year central-residual and associate volatility.

- **Q2 FY2026, CEO, media briefing:** "Our total income should exceed last year's level despite the significant decline in interest rates, particularly in Singapore." Management assumed SORA at about 1.2% for the remainder of 2026 and added: "For the first half, group net interest income was down 3%, but we believe we can narrow that gap for the full year as rates stabilise." [data_package §6, Q2 FY2026 total-income and NII row]. This keeps the first forecast year from assuming a group collapse, but the rate decline can still pressure central deployment income. The base case therefore starts Others income down 5%, not up in line with the group.

- **Q2 FY2026, CEO, media briefing:** "Deposit growth should be in the high single digits." [data_package §6, Q2 FY2026 deposit-growth row]. More deposits create additional deployment needs and can support absolute earnings, but they can dilute margin if the incremental yield is low. This is a volume offset, not an Others growth guarantee.

- **Q1 FY2026, CEO, analyst call:** "We want to have more Casa. While it raises our NII sensitivity, it helps our absolute NII, which is why we keep saying, look at NII, not NIM." [data_package §6, Q1 FY2026 Casa row]. The forecast follows that instruction conceptually: it does not infer central earnings from a constant margin. It models absolute Others income and PBT separately.

- **Q3 FY2025, Group Corporate Treasurer, analyst call:** "The NIM might get diluted, but it is NII accretive and it's ROE accretive." [data_package §6, Q3 FY2025 deployment row]. This supports the possibility that balance-sheet growth offsets lower yields. It is one reason the base case stabilizes after the initial decline rather than compounding down for five years.

- **Q2 FY2026, CEO, analyst call:** "For us, it is just one tool in the capital management toolbox." [data_package §6, Q2 FY2026 synthetic-risk-transfer row]. This cautions against capitalizing a single transaction as recurring income. Synthetic risk transfer may release RWA capacity, but no revenue or PBT is assigned to it in this appendix.

- **Q4 FY2025, CFO, analyst call:** "Going forward, our ordinary dividend will depend on how we perform as our ordinary dividend is funded by our financial performance." [data_package §6, Q4 FY2025 dividend row]. This prevents the model from treating capital returns as a mechanical depletion or a perpetual central earnings source. Distribution decisions belong in the group capital roll-forward, not in Others PBT.

Management’s group cost-income aspiration in the low 40s is not applied directly to Others. The segment’s 115.6% PBT-to-income ratio is not comparable with the group cost-income ratio, and forcing one onto the other would destroy the disclosed bridge.

8. Forward growth assumptions — segment total income

Because the data package does not disclose component revenue, there is one product-equivalent row: Others — central residual. The historical 36.9% CAGR is reproduced but not extrapolated. The latest clean current-period growth signal is H1 2026 income growth of 5.3% YoY; FY2025 growth was 0.9%. No scenario assumes another FY2024-style 85.7% jump.

Base case

Product / sub-segment	3-year historical CAGR	Latest YoY	Management FY+1 guide	Base CAGR TTM to TTM+5y	Justification
Others — central residual	36.9% [data_package §3]	5.3% H1 2026 [data_package §5]	No segment guide; group income should exceed FY2025 [data_package §6]	1.2%	Year one absorbs lower central yields; later 2%-3% growth reflects capital accumulation and normal reinvestment, while current high PBT conversion normalizes.

The base case does not use the historical CAGR because it is dominated by FY2024’s 85.7% increase. It applies a 5% income decline in year one, then 2%, 3%, 3%, and 3% growth. The resulting 2031 income of SGD 2,261 million is only modestly above the TTM anchor. This represents a stable central pool, not a franchise compounding claim.

Bull case

Product / sub-segment	3-year historical CAGR	Latest YoY	Management FY+1 guide	Bull CAGR TTM to TTM+5y	Justification
Others — central residual	36.9% [data_package §3]	5.3% H1 2026 [data_package §5]	No segment guide; strong balance sheet supports opportunity capture [data_package §6]	4.6%	Favorable reinvestment, associates, and central capital deployment sustain mid-single-digit growth without repeating the FY2024 step-up.

The bull case uses 4%, 6%, 5%, 4%, and 4% annual growth. It recognizes that a strong capital position, deposit growth, and active RWA management can create deployment options. It does not assume a specific disposal gain, acquisition, or associate contribution. The outcome is therefore a favorable envelope rather than a line-item forecast.

Bear case

Product / sub-segment	3-year historical CAGR	Latest YoY	Management FY+1 guide	Bear CAGR TTM to TTM+5y	Justification
Others — central residual	36.9% [data_package §3]	5.3% H1 2026 [data_package §5]	No segment guide; lower-rate pressure acknowledged [data_package §6]	(3.0%)	Lower asset yields, adverse unidentified central or associate effects, and weaker capital deployment cut income for two years before a shallow recovery.

The bear case imposes a 12% first-year decline and a further 6% decline in year two, then 0%, 2%, and 2%. The trough is intentionally front-loaded because central yields can reset faster than a five-year structural franchise. The recovery is slow because no recurring customer engine is disclosed inside Others.

Exact five-year total-income cadence

Case	TTM 2026-06-30 anchor	2027-06-30	2028-06-30	2029-06-30	2030-06-30	2031-06-30	Five-year CAGR
Bear	2,135	1,879	1,766	1,766	1,801	1,837	(3.0%)
Base	2,135	2,028	2,069	2,131	2,195	2,261	1.2%
Bull	2,135	2,220	2,354	2,471	2,570	2,673	4.6%

Case	2027 growth	2028 growth	2029 growth	2030 growth	2031 growth
Bear	(12.0%)	(6.0%)	0.0%	2.0%	2.0%
Base	(5.0%)	2.0%	3.0%	3.0%	3.0%

Case	2027 growth	2028 growth	2029 growth	2030 growth	2031 growth
Bull	4.0%	6.0%	5.0%	4.0%	4.0%

The cadence is deliberately non-linear. It separates the initial rate and central-residual stress from the eventual normal-state growth rate. The individual annual percentages are scenario waypoints, not point forecasts of undisclosed components; rounding and the one-line disclosure preclude finer precision.

9. Forward Profit before tax margin assumptions

The exact metric is **Profit before tax**. Every “margin” below is Profit before tax divided by segment total income. It is not an operating margin, customer margin, net interest margin, or group cost-income ratio.

Case	Current TTM PBT ratio	2031-06-30 PBT ratio	Change from current	Explicit mechanism
Bear	115.6%	92.0%	(2,360) bp	Favorable but unidentified central items reverse, asset yields reset, and associate effects weaken; partial recovery follows the year-two trough.
Base	115.6%	105.0%	(1,060) bp	The exceptional current conversion normalizes; the remaining above-income conversion is an aggregate scenario allowance, not an attribution to a disclosed component.
Bull	115.6%	117.0%	140 bp	Favorable central and associate outcomes persist, though the ratio fades from a temporary year-two peak; this is a low-probability envelope, not a recurring-gain forecast.

The base case’s decline greater than 100 basis points is not driven by competitive pricing or conventional cost leverage. The mechanism is normalization of the opaque central residual. PBT exceeded total income by SGD 332 million at the TTM anchor; the base endpoint excess is SGD 113 million. This preserves some positive central contribution while refusing to treat the entire current difference as permanent.

The bear case compresses the ratio to 85% in year two before recovering to 92%. That trough is within the broad current-taxonomy context: FY2023’s ratio was 90.1%, and the old-taxonomy FY2022 ratio was 48.9%, though the latter is not used as a direct comparable [data_package §3]. The endpoint above 90% assumes the group remains solvent and operationally strong, not that every central component recovers.

The bull case peaks at 120% in year two and eases to 117%. It is only modestly above the 115.6% TTM ratio. The bull does not extrapolate margin upward forever, because gains, associate results, and central allocations are unlikely to behave like recurring software gross margin.

Exact five-year PBT-ratio cadence

Case	TTM 2026-06-30	2027-06-30	2028-06-30	2029-06-30	2030-06-30	2031-06-30
Bear	115.6%	90.0%	85.0%	88.0%	90.0%	92.0%
Base	115.6%	105.0%	103.0%	104.0%	105.0%	105.0%
Bull	115.6%	118.0%	120.0%	119.0%	118.0%	117.0%

Exact five-year Profit before tax cadence

Case	TTM 2026-06-30 PBT	2027-06-30 PBT	2028-06-30 PBT	2029-06-30 PBT	2030-06-30 PBT	2031-06-30 PBT
Bear	2,467	1,691	1,501	1,554	1,621	1,690
Base	2,467	2,130	2,131	2,216	2,305	2,374
Bull	2,467	2,620	2,824	2,941	3,033	3,127

The annual PBT figures are calculated directly from the income and ratio cadences. Rounding is to the nearest SGD million for display; the rollup uses the unrounded values. No CSR expense is included. The separate CSR line remains outside reportable segment PBT under the sealed statutory bridge and must be forecast once by the synthesis stage [data_package §3a, Forecast-driver ledger, CSR row].

10. Segment rollup — bottom-up reconciliation

The finest source-supported forecast unit is the disclosed Others segment total. No component revenue is available, so "bottom-up" here means the single source-bound central-residual line, not invented allocations to capital income, associates, sales, or head-office items.

Case	Modeled line	TTM anchor income	2031-06-30 income	2031 PBT ratio	2031 Profit before tax	Rollup tie
Bear	Others — central residual	2,135	1,837	92.0%	1,690	1,837 / 1,837 = 100.0%
Base	Others — central residual	2,135	2,261	105.0%	2,374	2,261 / 2,261 = 100.0%
Bull	Others — central residual	2,135	2,673	117.0%	3,127	2,673 / 2,673 = 100.0%

All three segment totals reconcile exactly to the modeled line, comfortably within the required 1% tolerance. Profit before tax equals total income multiplied by the scenario PBT ratio: Bear SGD 1,837.4 million × 92.0% = SGD 1,690.4 million; Base SGD 2,260.7 million × 105.0% = SGD 2,373.7 million; Bull SGD 2,673.0 million × 117.0% = SGD 3,127.4 million.

The probabilities are deliberately nonuniform: 35% Bear, 50% Base, and 15% Bull. The bear has more than twice the bull weight because the segment is opaque, the current PBT ratio is above 100%, and the history includes a large step-up. The base remains the modal outcome because DBS's capital and liquidity position support continued positive central earnings. The bull receives the smallest weight because it requires favorable reinvestment and associate outcomes to persist without source-supported component guidance.

Probability-weighted horizon diagnostic	Bear contribution	Base contribution	Bull contribution	Total
2031 segment total income	643	1,130	401	2,174
2031 Profit before tax	592	1,187	469	2,248

The weighted horizon figures are diagnostics for synthesis, not a fourth scenario. They imply a weighted PBT-to-income ratio of approximately 103.4%. This is below the TTM 115.6% ratio and reflects the asymmetric probability structure.

Reconciliation boundaries for the synthesis stage

The synthesis stage should add Others PBT to Consumer Banking / Wealth Management, Institutional Banking, and Markets Trading PBT. It should then apply the CSR provision exactly once as a separate corporate/unallocated bridge line. It should not subtract CSR from Others, allocate group tax to Others, or insert a separate capital-management gain outside this segment. Tax and NCI remain below the segment-PBT sum [data_package §3a, Forecast-driver ledger].

The segment top line should likewise be added once to group total income. Any later consolidated model that also adds separate central funding income, associate income, or non-core gains would double count unless a reviewed source explicitly removes those items from Others. The sealed data package contains no such removal.

11. Key risks and wildcards

11.1 Rate-reset risk — Bear

Management's SORA assumption near 1.2% for the remainder of 2026 and acknowledgment of a significant decline in Singapore rates create a near-term central-yield risk [data_package §6]. If centrally deployed liquidity reprices faster than offsetting volumes or hedges, Others income can fall even while group deposits grow. The bear case front-loads this effect through a 12% and then 6% income decline.

The monitoring signal is not NIM alone. Management explicitly says to look at absolute NII rather than NIM. For Others, the relevant evidence would be continued weakness in central income and PBT after group NII stabilizes. If group NII recovers but Others does not, pure rates would be an incomplete explanation; the disclosed data would still be insufficient to distinguish associates, non-core outcomes, or allocations.

11.2 Capital-deployment and non-core transaction volatility — Bear and Bull

Non-core asset sales are inside the disclosed perimeter, but the data package provides neither a recurring disposal schedule nor their historical contribution. Centrally deployed capital can also vary with rates and balance-sheet choices. Because the package does not bridge the SGD 332 million TTM excess, the model does not assert that either category caused the current above-income PBT ratio. The bear and bull ratios are aggregate stress envelopes for unidentified central volatility, not forecasts of named gains or losses.

No scenario books a named future sale. The bull is a range outcome, not a forecast that management will transact. The bear similarly does not assert a specific loss; it allows the disclosed residual's favorable conversion to reverse.

11.3 Associate earnings and governance — Bear and Bull

Associates sit inside the disclosed boundary, but the package does not provide a standalone historical earnings series. Their results can be sensitive to economic growth, currency, market conditions, and local regulation. Better-than-expected associate performance would support the bull. A downturn or impairment would affect the bear. Because no component data exist, this risk is expressed through PBT ratio rather than an invented associate CAGR.

11.4 Capital-regulation and output-floor risk — Bear and Base

The Basel output floor can raise effective RWA relative to internally modeled requirements. The data package reports a 200-basis-point gap between DBS's H1 2026 reported and fully phased CET1 ratios and says the fully phased basis reaches 2029 [data_package §0a]. Higher capital needs could reduce the amount available for distribution or change the return on central deployment. The base assumes the transition is manageable; the bear allows less efficient capital absorption.

This is not modeled as an expense in Others because the output floor acts through capital requirements and RWA, not a simple income-statement charge. Its impact should also be captured in the synthesis and common-equity roll-forward, where capital and distributions are modeled explicitly.

11.5 Capital-return policy — Base and Bull

DBS has a SGD 3 billion cancellation buyback and SGD 5 billion Capital Return dividend framework, but the data package warns these are excess-capital actions, not perpetual promises [data_package §7]. Returning capital may reduce centrally deployable balances while improving per-share economics and group ROE. Retaining capital may support Others income but depress the return on equity if reinvestment yields are inadequate.

This appendix therefore does not treat buybacks or dividends as segment income or costs. Their net shareholder effect belongs in the group capital and valuation model. A large unexpected distribution could lower future central income relative to this forecast, while an acquisition or retained-capital decision could raise balances but add execution risk.

11.6 Taxonomy and allocation risk — All cases

DBS refined cost allocation and moved DBS Vickers from Others to Institutional Banking in the current taxonomy [data_package §1]. Another change could alter reported Others income and PBT without changing consolidated economics. That would make this forecast appear wrong at the segment level even if the group thesis remained intact.

The correct response to a future restatement is to rebuild the historical comparison on the new perimeter, not to force a bridge through the old data. The kill signal is a material restatement for which management does not provide comparable history.

11.7 Disclosure opacity — Bear

The absence of component income, PBT, capital, and associate disclosure is a permanent model-risk source. The model cannot distinguish recurring central spread income from nonrecurring gains with precision. That uncertainty justifies the 35% bear weight and the base normalization below TTM PBT.

An improvement in disclosure could narrow the range. A deterioration—such as a larger Others contribution with less explanation—would increase the chance that group earnings quality is overstated. The segment should be monitored as an earnings-quality line, not merely a growth contributor.

11.8 Operational and cyber risk at head office — Bear

Central functions include group systems, controls, and governance. A material operational or cyber incident can create remediation costs, fines, customer compensation, or accelerated technology spending. The data package does not allocate

technology expense or R&D to Others, so no discrete cost line is forecast. The bear margin range provides room for central-cost pressure without fabricating a particular event.

11.9 Currency and cross-border associate risk — Bear and Bull

DBS operates across Singapore, Hong Kong, Greater China, South and Southeast Asia, and the rest of the world [data_package §1]. Central investments and associates may carry foreign-currency and jurisdictional exposures. Favorable currency translation or regional recovery can lift results; adverse movements or local restrictions can hurt. The segment data do not provide a currency split, so this remains a scenario wildcard rather than a quantified hedge assumption.

11.10 Double-count and bridge risk — All cases

The most avoidable analytical error is counting central items twice. Others already includes capital deployment, associates, and centrally managed items. The synthesis must not add a second line for those effects. CSR is separate and must not be pushed into this segment. Tax and NCI are also separate. The zero-residual sealed bridge is the controlling perimeter [data_package §3a].

Summary

Case	Segment TTM+5y Total Income	Exact profit metric	Segment TTM+5y Profit Margin	Segment TTM+5y Profit	Probability
Bear	SGD 1,837 million	Profit before tax	92.0%	SGD 1,690 million	35%
Base	SGD 2,261 million	Profit before tax	105.0%	SGD 2,374 million	50%
Bull	SGD 2,673 million	Profit before tax	117.0%	SGD 3,127 million	15%

The core conclusion is intentionally restrained. Others is a material source of DBS PBT, but it is not a franchise segment and its above-100% PBT ratio must not be capitalized as a conventional margin. The base case assumes modest total-income growth and partial normalization of the current conversion advantage. The bear case gives substantial weight to lower central yields, reversal of unidentified favorable central items or associate outcomes, and regulatory-capital drag. The bull case preserves favorable reinvestment and associate outcomes without repeating the FY2024 step-up, attributing the current PBT excess, or inventing a disposal pipeline. No scenario allocates CSR, tax, NCI, or other statutory bridge lines into Others.

Appendix S - Synthesis

DBS Group Holdings Ltd — Synthesis (Combined Earnings Model)

Ticker: D05.SI **Assessment date:** 2026-08-26 **Forecast basis:** bank-adapted segment **Profit before tax**, not industrial operating income **Reporting and quote currency:** SGD **Model status:** all four reviewed segments consolidated mechanically; no exit multiple or shareholder-return method selected

This synthesis compounds the exact TTM ended 2026-06-30 for five calendar years to 2031-06-30. DBS is a bank. Accordingly, “revenue” in generic framework language means issuer-disclosed **total income**, while the governed statutory operating-income endpoint means **statutory Profit before tax**. The model never creates industrial EBIT, EBITDA, NOPAT, free cash flow or an enterprise-value bridge. Interest income, interest expense, fee income, allowances and operating expenses are already captured inside the issuer’s segment total-income and Profit-before-tax presentation. Adding them again below the segment line would double count them.

The model reproduces the four final reviewed segment appendices exactly in direction, cadence, endpoint metric and horizon. It adds the four segment PBT amounts, deducts the separately disclosed CSR provision once, applies an explicit effective tax rate, deducts NCI separately, and divides parent-common earnings by an explicit quote-basis diluted-share path. The P/E 15 entry gate is then tested against the sealed SGD 76.40 quote. This entry gate is independent of the later primary shareholder-return method. No terminal multiple, terminal share value, IRR or max-buy price is chosen here.

1. Anchors

- Today: **2026-08-26**.
- Fiscal year end: **31 December**.
- Latest completed fiscal year for historical tie-out only: **FY2025**.
- TTM anchor: **2026-06-30**, comprising Q3 2025, Q4 2025, Q1 2026 and Q2 2026.
- TTM arithmetic: H2 2025 plus H1 2026, which is identical to FY2025 less H1 2025 plus H1 2026.
- Horizon date: **2031-06-30**, exactly 5.0 calendar years after the TTM end. No row uses a sixth fiscal year.
- Valuation price: **SGD 76.40 per DBSH ordinary share**, XSES:D05, raw exchange close for the 2026-08-25 completed session.
- Quote actionability expiry: **2026-08-27T12:16:40+08:00**.
- Quote raw-source SHA-256: `397be605ae0c025ad3d674eeaf898287af48ee39f3c6038904040737cbdfd7d7`.
- QFR-sealed quote-packet SHA-256: `cb837cce2edd276ed85999955ad73556004a7bdaf4d256fbc17c1bf85c1c8dfb`.
- Historical statutory-bridge SHA-256: `d413769b9f8870e27014bb468dc0c62b77b8a75a6f1b97e0fa2b32aec7097e40`.
- Quote validator: `QUOTE_PACKET_VALID`; statutory validator: `STATUTORY_BRIDGE_VALID`; gate manifest: `STATUTORY BRIDGE VERIFIED — CLEARED FOR FORECASTING`.
- Financial reporting and quoted security are both the DBSH ordinary share. Depositary ratio is 1.000000, share-class factor is 1.000000, and financial shares per listed unit are 1.000000.
- Financial-statement diluted shares of 2,850.000 million at 2026-06-30 multiplied by the 1.000000 no-intervening-split factor equals 2,850.000 million quote-basis diluted financial shares at the quote date. Dividing by the 1.000000 listed-unit factor gives 2,850.000 million listed-equivalent units.
- Quote currency and reporting currency are both SGD. The session-date FX factor is therefore the identity rate, 1.000000 SGD quote currency per SGD reporting currency.

The strict quote validator was replayed at 2026-08-26T14:15:05+08:00 with the expected packet hash. The statutory bridge validator was also replayed with its expected hash. All dispatched hashes for the data package, moat appendix, management

appendix and four final reviewed segment files matched before this file was written.

2. Segment-level forward assumptions

Amounts are SGD billions. “Profit margin” is always the exact issuer-disclosed segment **Profit before tax divided by segment total income**. For Others, the resulting ratio can exceed 100% because centrally managed items are not a conventional customer-business margin.

Segment	Exact profit metric	TTM total income	Bear 2031 income	Base 2031 income	Bull 2031 income	Bear PBT ratio	Base PBT ratio	Bull PBT ratio
Consumer Banking / Wealth Management	Profit before tax	10.780	11.211	13.498	14.769	37.5%	45.0%	48.5%
Institutional Banking	Profit before tax	8.938	9.063	10.614	11.570	58.0%	61.0%	65.0%
Markets Trading	Profit before tax	1.451	1.356	1.674	1.931	30.0%	39.0%	46.0%
Others	Profit before tax	2.135	1.837	2.261	2.673	92.0%	105.0%	117.0%

Sources are `appendix_B_consumer_banking_wealth_management.md` Sections 8-10, `appendix_B_institutional_banking.md` Sections 8-10, `appendix_B_markets_trading.md` Sections 8-10, and `appendix_B_others.md` Sections 8-10. These are reproductions, not fresh re-derivations. CBWM’s base case uses a 4.6% five-year total-income CAGR as structural wealth growth offsets rate pressure. IBG’s 3.5% base CAGR assumes loan and transaction growth offset lower spreads, with its PBT ratio normalizing to 61.0%. Markets Trading’s 2.9% base CAGR and 39.0% PBT ratio explicitly normalize unusually favorable TTM conditions. Others grows only 1.2% in base and its PBT ratio falls to 105.0%, refusing to capitalize the entire 115.6% TTM conversion.

The appendices disclose no auditable product-revenue split within CBWM or IBG. Markets Trading and Others likewise have one source-supported modeled line each. Group fee categories and NII are plausibility drivers, not additive product forecasts. This preserves the source boundary and prevents wealth fees, customer treasury sales, capital deployment or group NII from being counted twice.

3. Combined bank total-income build

There are no corporate revenue eliminations in the sealed package. The TTM sum of the four reportable-segment total-income lines is SGD 23.304 billion, exactly equal to group total income. The same no-elimination perimeter is carried forward.

Line	Bear	Base	Bull
Sum of segment 2031 total income, SGD bn	23.467125	28.045553	30.942249
Corporate eliminations, SGD bn	0.000000	0.000000	0.000000
Combined 2031 bank total income, SGD bn	**23.467125**	**28.045553**	**30.942249**
Implied 2026-06-30 TTM to 2031-06-30 CAGR	0.14%	3.77%	5.83%

The bear outcome is approximately flat over five years because CBWM and IBG recover only slowly, Markets Trading remains below its favorable TTM anchor, and Others suffers a front-loaded yield and central-item reset. Base growth is diversified: no single segment must reproduce its recent peak rate. Bull requires sustained wealth flows, stronger Asian corporate formation, orderly market activity and favorable central reinvestment simultaneously. These are operating scenarios, not probability-conditioned return targets.

4. Combined governed statutory PBT endpoint

The framework’s generic operating-income label is transparently adapted here. DBS’s sealed governed endpoint equals statutory **Profit before tax**. The only corporate/unallocated line is the CSR provision. It is fixed at SGD 100 million annually in all cases because the data package records DBS’s continuing ten-year commitment and contains no source-bound cessation date. There are no operating-bridge or below-line additions.

Line	Bear	Base	Bull
CBWM 2031 Profit before tax, SGD bn	4.204034	6.074014	7.162908
Institutional Banking 2031 Profit before tax, SGD bn	5.256791	6.474266	7.520393
Markets Trading 2031 Profit before tax, SGD bn	0.406654	0.652682	0.888061
Others 2031 Profit before tax, SGD bn	1.690428	2.373683	3.127368
Sum of reportable-segment PBT, SGD bn	11.557906	15.574645	18.698730
Provision for CSR, corporate/unallocated, SGD bn	(0.100000)	(0.100000)	(0.100000)
Consolidated segment-profit metric, SGD bn	11.457906	15.474645	18.598730
Operating bridge adjustments	0.000000	0.000000	0.000000
Governed statutory operating-income endpoint: statutory PBT, SGD bn	**11.457906**	**15.474645**	**18.598730**
PBT conversion on bank total income	48.83%	55.18%	60.11%

The annual path below demonstrates that all four segments are forecast rather than only a terminal total. Each year’s PBT is the sum of the four exact-metric segment results less SGD 100 million CSR.

Case / date	Combined bank total income, SGD bn	Segment PBT sum, SGD bn	CSR, SGD bn	Governed statutory PBT endpoint, SGD bn
Bear 2027-06-30	22.418960	11.877820	(0.100000)	11.777820
Bear 2028-06-30	22.154238	11.227385	(0.100000)	11.127385
Bear 2029-06-30	22.423348	11.202699	(0.100000)	11.102699
Bear 2030-06-30	22.884469	11.239781	(0.100000)	11.139781
Bear 2031-06-30	23.467125	11.557906	(0.100000)	11.457906
Base 2027-06-30	23.821720	13.342587	(0.100000)	13.242587
Base 2028-06-30	24.740313	13.745693	(0.100000)	13.645693
Base 2029-06-30	25.826955	14.331999	(0.100000)	14.231999
Base 2030-06-30	26.892677	14.938017	(0.100000)	14.838017
Base 2031-06-30	28.045553	15.574645	(0.100000)	15.474645
Bull 2027-06-30	24.538820	14.359408	(0.100000)	14.259408
Bull 2028-06-30	26.032462	15.390829	(0.100000)	15.290829
Bull 2029-06-30	27.627420	16.470325	(0.100000)	16.370325
Bull 2030-06-30	29.283287	17.609421	(0.100000)	17.509421
Bull 2031-06-30	30.942249	18.698730	(0.100000)	18.598730

5. Parent-common net income and diluted EPS

Net interest income and other income are not separate add-ons after segment PBT. They already flow through reportable-segment total income and PBT. The table therefore shows a zero separate addition and labels the embedding explicitly. Tax rates are 17.0% Bear, 16.2% Base and 15.5% Bull versus 15.9% in FY2025 and 16.2% TTM. The range captures global-minimum-tax and mix risk without erasing the observed central rate. NCI is deducted separately at SGD 3 million, SGD 2 million and SGD 1 million, bracketing the FY2025 SGD 1 million and TTM SGD 2 million statutory lines.

Line	Bear	Base	Bull
Governed statutory PBT endpoint, SGD bn	11.457906	15.474645	18.598730
Separate net-interest add-on	0.000000; embedded	0.000000; embedded	0.000000; embedded
Separate other-income add-on	0.000000; embedded	0.000000; embedded	0.000000; embedded
Statutory pretax income, SGD bn	**11.457906**	**15.474645**	**18.598730**

Line	Bear	Base	Bull
Effective tax rate	17.0%	16.2%	15.5%
Income tax expense, SGD bn	(1.947844)	(2.506892)	(2.882803)
NCI deduction, SGD bn	(0.003000)	(0.002000)	(0.001000)
Parent-common net income, SGD bn	**9.507062**	**12.965752**	**15.714927**
Quote-basis diluted financial shares, million	2,861.256545	2,861.256545	2,861.256545
SGD EPS per quote-basis financial share	3.322688	4.531489	5.492317
Financial shares per listed unit	1.000000	1.000000	1.000000
SGD EPS per listed unit before FX	3.322688	4.531489	5.492317
FX, quote SGD per reporting SGD	1.000000	1.000000	1.000000
SGD EPS per listed unit at 2031-06-30	**3.322688**	**4.531489**	**5.492317**

The mandatory unit equations reproduce exactly. Bear is SGD 9,507.062286 million divided by 2,861.256545 million shares, multiplied by 1.000000 listed-unit factor and 1.000000 FX, producing SGD 3.322688. Base produces SGD 4.531489 and Bull SGD 5.492317 using the same sequence. No quote-currency label is attached until both identity factors are shown.

5a. Return-method input bridge

S supplies method inputs but does not select the primary return method. For a bank, industrial EV/NOPAT is economically inappropriate because deposits, cash, securities and wholesale funding are operating balance-sheet inputs. A P/E method may be available from the fully reconciled diluted EPS, while a P/B-ROE method would require a separate zero-residual parent-common-equity roll-forward in valuation preflight. CS, not S, makes that decision and independently underwrites exit multiples after the preflight.

Return-method input	Bear 2031	Base 2031	Bull 2031	Source-bound finding
Governed statutory endpoint: PBT, SGD bn	11.457906	15.474645	18.598730	Four reviewed segment appendices plus CSR
Normalized cash tax rate	Not applicable	Not applicable	Not applicable	Industrial cash-tax/NOPAT construct prohibited for bank
Normalized NOPAT	Not applicable	Not applicable	Not applicable	No industrial NOPAT invented
Terminal cash	Unavailable	Unavailable	Unavailable	H1 2026 anchor SGD 32.649bn; no sealed terminal path
Terminal gross debt excluding leases	Unavailable	Unavailable	Unavailable	H1 2026 anchor SGD 86.402bn; no sealed terminal path
Terminal lease liabilities	Unavailable	Unavailable	Unavailable	Not separately disclosed at H1 2026
Terminal preferred equity / AT1 claim	Unavailable	Unavailable	Unavailable	Parent ordinary funds exclude AT1; no terminal scenario path
Terminal minority interest	Unavailable	Unavailable	Unavailable	H1 2026 NCI SGD 0.051bn; no balance-sheet roll-forward
Other senior claims	Unavailable	Unavailable	Unavailable	No sealed terminal classification and path
Separately valued non-operating assets	None added	None added	None added	No double-counted asset outside bank earnings
Diluted listed-equivalent shares, million	2,861.256545	2,861.256545	2,861.256545	Section 6 explicit path and sealed unit factors

The missing terminal capital-structure path prevents EV/NOPAT from controlling. That is an availability conclusion, not a residual net-debt plug. This section deliberately stops before method selection, terminal multiples and returns.

5b. Insurer lane

NOT TRIGGERED — DBS Group Holdings Ltd is a bank, not a P&C insurer or reinsurer. No `insurer_return_bridge.json` is created.

6. Explicit diluted-share path

The starting point is the packet's 2,850.000 million quote-basis diluted financial shares. The TTM quantitative foundation records SGD 45 million of repurchase cash and SGD 217 million of share-based compensation. Because forward purchase prices are not source-bound and S must not select a terminal valuation, the mechanical retirement/issuance approximation uses the immutable current SGD 76.40 price for every year solely to convert cash into shares. This is not a price target. It yields 0.589005 million shares retired and 2.840314 million approximate SBC shares issued each year.

Year ending	Starting shares, M	Buyback, SGD bn	Mechanical avg price, SGD	Shares retired, M	Approx. SBC issuance, M	Ending shares, M
2027-06-30	2,850.000000	0.045000	76.40	0.589005	2.840314	2,852.251309
2028-06-30	2,852.251309	0.045000	76.40	0.589005	2.840314	2,854.502618
2029-06-30	2,854.502618	0.045000	76.40	0.589005	2.840314	2,856.753927
2030-06-30	2,856.753927	0.045000	76.40	0.589005	2.840314	2,859.005236
2031-06-30	2,859.005236	0.045000	76.40	0.589005	2.840314	2,861.256545

The reconciliation is 2,850.000000 + five times 2.840314 minus five times 0.589005 = 2,861.256545 million. The annual approximation implies net dilution of 2.251309 million shares. As a historical reasonableness check, official diluted weighted shares moved from 2,849 million in H2 2025 to 2,850 million in H1 2026, while the H1 basic-to-diluted spread was 9 million. The modeled issuance is an explicit expense/price approximation, not a claim that every award vests in the year of expense. It is more conservative for EPS than holding shares flat and does not assume the unspent cancellation program is exercised at a high valuation.

7. P/E 15 entry-price test

The required EPS at the sealed SGD 76.40 price is SGD 76.40 divided by 15, or **SGD 5.093333 per listed unit**. Cushion equals `(EPS x 15 - 76.40) / 76.40`.

Case	SGD EPS per listed unit at 2031-06-30	EPS x 15, SGD	Sealed price, SGD	Cushion	Pass?
Bear	3.322688	49.840317	76.40	(34.76%)	FAIL
Base	4.531489	67.972333	76.40	(11.03%)	**FAIL**
Bull	5.492317	82.384748	76.40	7.83%	PASS

The confident case is Base, not Bull. Base EPS times 15 is SGD 67.97, below the sealed price by SGD 8.43 per share. Therefore the P/E 15 entry gate **fails** despite the Bull case passing. This binary entry result does not select a terminal P/E, cap a future multiple or determine the later shareholder-return method.

8. Reflexivity check against the TTM and FY2025 anchors

The TTM segment total-income sum is 10,780 + 8,938 + 1,451 + 2,135 = SGD 23,304 million, exactly matching consolidated TTM bank total income. The TTM segment PBT sum is 4,781 + 5,619 + 623 + 2,467 = SGD 13,490 million. Deducting CSR of SGD 100 million gives the governed statutory PBT endpoint of SGD 13,390 million. Both residuals are zero and comfortably within 2%.

FY2025 provides the independent historical sanity check. Segment total income is 10,541 + 8,906 + 1,374 + 2,079 = SGD 22,900 million, exactly matching consolidated bank total income. Segment PBT is 4,542 + 5,730 + 568 + 2,259 = SGD 13,099 million. Deducting CSR of SGD 100 million gives statutory PBT of SGD 12,999 million. Deducting income tax of SGD 2,065 million and NCI of SGD 1 million gives parent-common net income of SGD 10,933 million. No plug, residual, reclassification or silent scaling is used.

The forward model uses precisely those same perimeters. The only corporate line remains CSR, and tax and NCI remain below statutory PBT. The Bear decline and Bull expansion therefore arise only from reviewed segment revenue and exact-metric PBT-ratio paths, not from a top-down group margin override.

9. Latest interim bridge reconciliation

The source package uses the permitted like-for-like cumulative bridge because a clean standalone segment table for all four quarters is not disclosed. H2 2025 plus H1 2026 is exactly the requested Q3 2025 + Q4 2025 + Q1 2026 + Q2 2026 window.

TTM metric	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Four-quarter TTM
Bank total income, SGD m	5,932	5,331	5,948	6,093	23,304
Governed statutory PBT endpoint, SGD m	3,476	2,698	3,512	3,704	13,390
Parent-common net profit, SGD m	2,954	2,258	2,930	3,079	11,221

The equivalent cumulative equation also ties: FY2025 total income 22,900 less H1 2025 segment income 11,637 plus H1 2026 income 12,041 equals 23,304. FY2025 statutory PBT 12,999 less H1 2025 PBT 6,825 plus H1 2026 PBT 7,216 equals 13,390; the annual CSR charge lies entirely in H2 2025. Parent profit is 10,933 less H1 2025 parent profit 5,721 plus H1 2026 parent profit 6,009 equals 11,221. H2 2025 and H1 2026 diluted weighted shares are 2,849 million and 2,850 million; equal half-year weighting rounds to the official 2,850 million TTM basis. Periods are non-overlapping and cover identical half-year lengths.

10. Base-case sensitivity

Two variables are held at Base while the named third variable changes. The CBWM test changes its five-year total-income CAGR from 4.6% to 2.6% or 6.6% and retains the 45.0% terminal PBT ratio. The IBG test changes its terminal exact-metric PBT ratio from 61.0% to 59.0% or 63.0%. Share count changes by plus or minus 5% around the explicit terminal diluted basis. Tax changes by plus or minus 300 basis points around 16.2%.

Variable test	Downside input	Downside EPS	Base EPS	Upside input	Upside EPS	Approx. EPS span
CBWM five-year total-income CAGR	2.6%	4.367850	4.531489	6.6%	4.708252	0.340402
IBG terminal PBT ratio	59.0%	4.469319	4.531489	63.0%	4.593658	0.124339
Terminal diluted shares	+5%	4.315704	4.531489	(5%)	4.769988	0.454285
Effective tax rate	19.2%	4.369239	4.531489	13.2%	4.693739	0.324500

Share count is the largest of these specified local sensitivities, followed by CBWM compounding and tax. None of the one-variable upside tests alone lifts Base EPS to the required SGD 5.093333. The closest, a 5% lower terminal share count, produces SGD 4.77. That means the entry gate requires a combination of better customer-segment income, higher PBT conversion, lower dilution and/or a lower purchase price; it cannot be rescued by relabeling a terminal multiple.

11. Combined earnings summary

Company scenario probabilities are **30% Bear, 50% Base and 20% Bull**. Base is modal because current total-income growth, wealth fees, capital and asset quality support resilience. Bear exceeds Bull because rate compression, benign-credit normalization, trading cyclicality and the opaque Others conversion can interact adversely. Bull remains 20% because Asia wealth and corporate formation can sustain strong execution. These company weights synthesize, rather than mechanically average, the reviewed segment probabilities.

Case	Bank total income, SGD bn	Governed statutory PBT endpoint, SGD bn	PBT conversion	Parent-common NI, SGD bn	EPS, SGD per listed unit	Probability	EPS x 15, SGD	Versus SGD 76.40
Bear	23.467125	11.457906	48.83%	9.507062	3.322688	30%	49.840317	(34.76%)
Base	28.045553	15.474645	55.18%	12.965752	4.531489	50%	67.972333	(11.03%)
Bull	30.942249	18.598730	60.11%	15.714927	5.492317	20%	82.384748	7.83%
Probability-weighted diagnostic	27.251364	14.894440	54.66%	12.477980	4.361014	100%	65.415211	(14.38%)

The weighted EPS is 30% times 3.322688 plus 50% times 4.531489 plus 20% times 5.492317, equaling SGD 4.361014. It is a diagnostic rather than a fourth scenario. No probability-weighted IRR is calculated because valuation method and exit multiples belong to the later locked valuation-preflight and CS stages.

12. Tie-out checks

- **PASS — reported-financial and bank-adapted statutory-bridge tie-out.** TTM bank total income is 10,780 + 8,938 + 1,451 + 2,135 = 23,304, matching consolidated total income with zero residual. TTM exact-metric segment PBT is

4,781 + 5,619 + 623 + 2,467 = 13,490; less CSR 100 = governed statutory PBT 13,390. FY2025 total income is 22,900 exactly, and segment PBT 13,099 less CSR 100 = statutory PBT 12,999. Both periods are inside the SGD 1 million sealed tolerance and 2% reflexivity limit. Sources: `data_package.md` Sections 2, 3 and 3a; `statutory_bridge.json`.

- **PASS — parent-common NI / shares / listed unit / FX equals EPS.** Bear: 9,507.062286 / 2,861.256545 x 1.000000 x 1.000000 = 3.322688. Base: 12,965.752170 / 2,861.256545 x 1.000000 x 1.000000 = 4.531489. Bull: 15,714.926624 / 2,861.256545 x 1.000000 x 1.000000 = 5.492317. Parent-common NI is statutory PBT less tax and NCI, not industrial net income. Sources: Sections 5-6 and sealed `quote_packet.json`.

- **PASS — segment sum at the horizon.** Bear 11.210756 + 9.063432 + 1.355515 + 1.837421 = 23.467125; Base 13.497809 + 10.613551 + 1.673543 + 2.260650 = 28.045553; Bull 14.768883 + 11.569835 + 1.930567 + 2.672964 = 30.942249. Each combined bank total equals 100.000% of the segment sum; corporate revenue eliminations are zero. Sources: four reviewed segment appendices, Sections 8-10.

- **PASS — product-to-segment rollup.** Each appendix uses its finest disclosed revenue line. CBWM and IBG explicitly decline to invent undisclosed product dollars; their modeled segment-total line equals segment total income. Markets Trading's activity line and Others' central-residual line each equal 100.0% of segment total income in Bear, Base and Bull. Every appendix reports a 0.0% rollup residual. Sources: each `appendix_B_*.md` Section 10.

- **PASS — weighted exact-metric PBT-ratio condition not triggered beyond one disclosed line.** No segment has more than one source-supported modeled product-revenue line, so a multi-product weighted PBT ratio cannot be calculated without fabrication. Each segment instead calculates PBT directly as disclosed segment total income multiplied by one exact segment PBT ratio. Horizon residuals are below 1% after rounding. This is a bank-adapted PASS, not an invented industrial product-margin bridge. Sources: each segment appendix Sections 9-10.

- **PASS — share-count and security-unit path.** Starting financial-statement diluted shares 2,850.000 x split factor 1.000000 = quote-basis diluted financial shares 2,850.000; division by depositary and class factors of 1.000000 gives 2,850.000 listed-equivalent units. The forward path is 2,850.000000 + five times 2.840314 SBC issuance minus five times 0.589005 retirement = 2,861.256545 million. EPS is calculated on financial shares before the identity listed-unit conversion. Sources: `quote_packet.json`, `quant_foundation.md` P6 and Section 6 above.

- **PASS — growth plausibility.** CBWM Base CAGR 4.6% is below 1.2 times its 8.5% FY2023-FY2025 CAGR. Markets Trading 2.9% is far below 1.2 times its rebound CAGR of 37.7%; Others 1.2% is far below 1.2 times 36.9%. IBG's 3.5% exceeds its negative historical CAGR but remains below the 4% current wholesale-PBT trajectory disclosed for OCBC and is explicitly justified by mid-single-digit loan guidance, transaction services and a slow first year. No unjustified base CAGR breach remains. Sources: segment appendices Sections 4, 6 and 8.

- **PASS — historical and five-year compounding arithmetic.** CBWM: 10,780 x 1.008^5 = 11,218 versus 11,211 Bear, 10,780 x 1.046^5 = 13,498 Base, and 10,780 x 1.065^5 = 14,776 versus 14,769 Bull; differences reflect rounded displayed CAGRs and are below 0.1%. IBG recalculates to 9,073 / 10,614 / 11,571 versus 9,063 / 10,614 / 11,570. Markets Trading recalculates to 1,357 / 1,674 / 1,933 versus 1,356 / 1,674 / 1,931. Others recalculates to 1,834 / 2,260 / 2,673 versus 1,837 / 2,261 / 2,673. Every difference is below 1%, and each exact annual cadence spans 2026-06-30 to 2031-06-30.

- **PASS — recency anchor.** Base first-forward-year bank total income is 11,211.200 + 9,116.760 + 1,465.510 + 2,028.250 = SGD 23,821.720 million. Versus the reproducible TTM SGD 23,304 million, the step is 2.22%, well inside the 10% limit. The governed PBT endpoint is constructed from first-year segment PBT less CSR, not imposed by a group plug. Sources: segment annual cadences and `data_package.md` Section 3a.

- **PASS — period and exact-horizon integrity.** Q3 2025 + Q4 2025 + Q1 2026 + Q2 2026 produces total income 23,304, statutory PBT 13,390 and parent profit 11,221. The equivalent FY2025 - H1 2025 + H1 2026 cumulative bridge ties identically, with no overlapping quarter. Every segment path begins on 2026-06-30 and ends on 2031-06-30 after five annual steps. FY2025 is used only for historical tie-out, never as the forecast base.

- **PASS — valuation-entry, unit bridge, hashes and probability arithmetic.** Recomputed quote-packet hash is `cb837cce2edd276ed85999955ad73556004a7bdaf4d256fbc17c1bf85c1c8dfb`; statutory-bridge hash is `d413769b9f8870e27014bb468dc0c62b77b8a75a6f1b97e0fa2b32aec7097e40`. XSES:D05, raw-close basis, 1.000000 split, unit and FX factors all reproduce. Scenario probabilities sum to 30% + 50% + 20% = 100%. Weighted EPS is 4.361014. Bear/Base/Bull EPS x 15 values are 49.840317 / 67.972333 / 82.384748, and cushions versus SGD 76.40 are (34.76%) / (11.03%) / 7.83%. The Base case controls and fails. No exit multiple or return is reverse-engineered.

SYNTHESIS CLEARED — 11/11 TIE-OUTS PASSED

P/E 15 gate: FAIL — cushion -11.03%

Appendix CS - Compounder Score

DBS Group Holdings Ltd — Compounder Score

Ticker / listing: D05.SI / XSES:D05 ordinary shares **Assessment date:** 2026-08-26 **Price:** SGD 76.40 at the 2026-08-25 completed session **Forecast anchor / horizon:** TTM ended 2026-06-30 to 2031-06-30, exactly 5.0 years **Primary valuation method: P/B-ROE Valuation preflight:** `C:\Users\Admin\OneDrive\GPT\ER 2.0\DBS Group Holdings Ltd\valuation_preflight.json`, SHA-256 `d97009f968fea03429a9a8e2a5ec942100277fc20cd4befeea600cdf03b5851a`; installed validator result `VALUATION_PREFLIGHT_VALID` with evidence checks **Valuation support:** `C:\Users\Admin\OneDrive\GPT\ER 2.0\DBS Group Holdings Ltd\raw\pulse-cio-20260826T120230+0800\valuation_preflight_support.json`, SHA-256 `76cc2bcd0ec684c5630c5b0180c83dcdfd94212032a842b5ac5ff2349755b52a` **Authority:** diagnostic only; `trade_execution_authorized=false`; no ranking, allocation or trade is proposed.

1. Executive Verdict

COMPOUNDER SCORE: 57/100 BUSINESS QUALITY SCORE: 53/80 20% RETURN UW SCORE: 4/20 SCORE-IMPLIED CLASSIFICATION: Reject

DBS is a high-quality, well-capitalised bank, but the evidence does not support buying the ordinary share at SGD 76.40 under this rubric. The locked five-year P/B-ROE bridge produces gross SGD annualized shareholder returns of **-10.49% Bear, -1.77% Base and +4.64% Bull**. The probability-weighted gross SGD return is **-2.51%**, calculated from probability-weighted terminal wealth rather than by averaging scenario IRRs. Even the Bull case falls far short of 20%.

The conclusion is mainly price, not solvency. Parent common equity remains positive in every scenario, fees and wealth provide growth, asset quality is sound, and capital/liquidity are strong. The current direct parent-common P/B is 3.09437019036047x, however, versus locked 2031 exit P/Bs of 1.10x / 1.75x / 2.50x. All three cases therefore assume de-rating. Dividends soften the outcome, but do not rescue it.

This analysis uses bank economics. Industrial ROIC, ROIIC, NOPAT, FCF, enterprise value and net-debt constructs are not meaningful for DBS because deposits, securities, liquidity and wholesale funding are operating inputs. Those fields are marked not meaningful or insufficient rather than fabricated. Parent-common ROE/BVPS, per-share growth, capital, credit, funding, fee durability and distributions control.

2. Data Source Map

Evidence need	Controlling source	Period / basis	Use
Price and quote-basis market value	`quant_foundation.md`; QFR-sealed `quote_packet.json`	2026-08-25 close, SGD	SGD 76.40 and XSES:D05 security basis
Parent common equity and statutory tie-outs	`data_package.md`; `statutory_bridge.json`	FY2021-FY2025; TTM/H1 2026	Parent ordinary funds, NCI exclusion, earnings perimeter
Earnings and per-share forecast	`appendix_synthesis.md`	2026-06-30 to 2031-06-30	Segment PBT, tax, NCI, common NI, diluted shares and EPS
P/B method, denominator and exits	`valuation_preflight.json`	2026-08-26 lock	Primary method; current and terminal denominator integrity; exit P/B
Equity roll-forwards	`valuation_preflight_support.json`	Five exact annual periods	Common NI, dividends, repurchases, issuance/SBC equity, OCI and zero residuals
Segment runway	Four final `appendix_B_*.md` files	TTM to 2031	Wealth, institutional, trading and central-income scenarios
Management and allocation	`appendix_management.md`	Through 2026-08-26	CEO evidence, guidance, pay, M&A and capital returns
Moat and competition	`appendix_moat.md`	Five-, ten- and twenty-year tests	Deposits, payments, wealth, corporate workflows and disruption risk
Compensation / governance	`appendix_management.md`; FY2025 annual report sources therein	FY2025 / current	Deferral, clawback, Board independence and Temasek relationship

Evidence need	Controlling source	Period / basis	Use
Market opportunity	Segment appendices and issuer sources therein	Current / 2030 aspirations	Asia wealth and cross-border corporate formation; not treated as guaranteed TAM

The FMP provider-native P/B is retained on its native `bookValuePerShareTTM` denominator. It is not relabelled as parent-common P/B. The direct official parent-common calculation controls the comparable current multiple.

3. Key Financial and Quality Metrics

Metric	Evidence	Interpretation
Normalized common ROE	12.5% / 15.0% / 18.0% / 18.0% / 16.2% FY2021-FY2025; 17.5% H1 2026	Strong, but the evidence does not establish a cycle-neutral 18% floor
Parent ordinary common equity	SGD 70.166bn at 2026-06-30	Excludes SGD 0.051bn NCI and AT1 claims
Direct current parent-common P/B	3.09437019036047x	Comparable with terminal parent-common BVPS; materially above every locked exit
Provider-native reported P/B	3.0848653473192145x	Uses provider-native book value; evidence only
CET1	16.6% reported / 14.6% fully phased at H1 2026	Strong risk-adjusted capital discipline; output-floor headwind remains
LCR / NSFR	142% / 113% at H1 2026	Sound liquidity and funding
NPL ratio / specific credit cost	1.0% / 15 bp at H1 2026	Benign credit; not a full adverse-cycle test
Net fee income	SGD 5.398bn TTM	Fee pool is meaningful and counted once within common NI
Wealth AUM	SGD 516bn at Q2 2026	Supports runway; fee yield, churn and organic-flow history remain incomplete
Cost-income ratio	39% H1 2026; 39.9%-45.6% FY2021-FY2025	Demonstrates scale and operating discipline
Diluted share count	2.819bn FY2021 to 2.850bn FY2025	About 1.1% cumulative dilution; forward path explicitly reaches 2.861256545bn
Industrial ROIC / ROIIC / FCF conversion / EV-NOPAT	Not meaningful / insufficient	Deposit-funded bank economics make industrial constructs misleading
SBC intensity	Insufficient evidence	No clean five-year SBC-to-income or cash-flow series; issuance and direct equity credit are nevertheless modeled

The source confidence is **Medium**: statutory and valuation arithmetic are strong, while a credible marginal return-on-risk-weighted-capital series, deposit beta, wealth fee yield/churn and segment capital are unavailable.

4. Rubric Scorecard

Category	Score	Maximum	Evidence-based judgment
1. Incremental returns on capital	12	25	Bank-adapted ROE and capital discipline are strong, but industrial ROIIC cannot be calculated credibly and Bear/Base ROE declines
2. Reinvestment runway	15	20	Wealth, deposits and Asian corporate workflows offer runway; disclosed product economics and marginal capital returns are incomplete
3. Durability of moat	10	15	Primary deposits, wealth ladder and corporate transaction workflows are real; direct pricing power is weak and moat gate is YELLOW
4. Accounting and financial quality	8	10	Clean statutory bridge, strong capital and unmodified audit; bank cash conversion and clean SBC intensity are unavailable
5. Capital allocation	8	10	Measured M&A and price-sensitive buybacks; current CEO proof window is short and LTIP is partly judgmental

Category	Score	Maximum	Evidence-based judgment
Business Quality Score	**53**	**80**	Good bank franchise, below the Gideon quality threshold because incremental returns and long-duration proof remain incomplete
6. Price and 20% return underwriting	4	20	Distributions help and exits are independently supported, but Base and Bear returns are negative and the 20% reverse hurdle is implausible
Compounder Score	**57**	**100**	Reject under this diagnostic; the score cannot override ER2 gates

Subscore detail: 1A 3/5, 1B 0/8, 1C 2/3, 1D 3/3, 1E 2/3, 1F 2/3; 2A 4/5, 2B 4/5, 2C 3/4, 2D 2/3, 2E 1/2, 2F 1/1; 3A 4/4, 3B 1/3, 3C 2/3, 3D 1/2, 3E 1/2, 3F 1/1; 4A 2/2, 4B 1/2, 4C 1/2, 4D 2/2, 4E 1/1, 4F 1/1; 5A 2/2, 5B 2/2, 5C 2/2, 5D 1/2, 5E 1/1, 5F 0/1; 6A 0/6, 6B 2/4, 6C 0/3, 6D 0/3, 6E 0/2, 6F 2/2.

5. ROIIC and Reinvestment Analysis

Standard industrial ROIC and ROIIC are not used. Treating deposits as financing, subtracting bank liquidity as excess cash, or using operating cash flow less capex as distributable FCF would create false economics. The bank-adapted test asks whether incremental balance-sheet and fee growth preserve parent-common ROE above the cost of common equity while maintaining credit, capital and funding buffers.

The positive evidence is six reported ROE observations of 12.5%-18.0%, a 16.6% reported CET1 ratio, 14.6% fully phased CET1, 142% LCR, 113% NSFR and a 1.0% NPL ratio. Fee income and wealth AUM expanded, while the cost-income ratio stayed near 40%. The negative evidence is that reported ROE benefited from the rate cycle and benign credit, no segment RWA or marginal risk-adjusted return series is disclosed, and the locked terminal normalized common ROE falls to 14.47% in Base and 10.73% in Bear.

This score is capped because the evidence supports good absolute bank returns, not a credible 3- or 5-year incremental ROIIC calculation. Acquisition-inclusive ROIIC is also insufficient. Historical M&A is measured, but the bank does not disclose an acquisition-return bridge adequate for the industrial formula.

6. Runway Analysis

DBS has credible organic runway in Asian wealth and institutional banking. Wealth AUM reached SGD 516bn at Q2 2026, group wealth fees were SGD 3.267bn TTM, and management described about 8% wealth growth contribution from net new money. Institutional Banking benefits from corporate cash management, trade, custody, payments, FX and credit relationships. Customer Banking/Wealth Management and Institutional Banking represented 84.9% of FY2025 group income.

The runway is not unconstrained. Lower rates compress deposit spreads; higher capital requirements can increase RWA faster than customer income; open finance and AI agents can reduce interface ownership; and the SGD 1tn AUM aspiration is management ambition rather than an underwritten outcome. The scenario model therefore spans group total-income growth of 0.14% Bear, 3.77% Base and 5.83% Bull over five years. Growth creates value only if normalized common ROE remains above the cost of equity.

7. Moat Analysis

The moat is explainable in one paragraph: DBS combines primary-account deposits and payments, a retail-to-private-bank wealth ladder, and deeply embedded corporate cash-management, trade, custody, FX and credit workflows. These relationships create switching friction, trusted distribution, data and shared scale. Regulation raises industry entry barriers but is not DBS-specific. The moat is weakened by multi-homing, rate-sensitive deposits, global and local competitors, AI/open-finance interface risk and the prior outage record.

The moat gate and 2046 test are both **YELLOW**. Direct evidence of unilateral pricing power is weak: deposits and bundled relationships support monetization, but no clean churn, price-realization or fee-yield series exists. IBG is the most durable segment; Markets Trading is cyclical; Others is a central-capital and accounting residual, not a franchise. A recurrence of material outages, structural CASA loss or multi-year customer-segment margin compression would weaken the score.

8. Accounting and Capital Allocation Analysis

The statutory bridge reconciles segment PBT, CSR, tax, NCI and parent earnings with zero residual. FY2025 received an unmodified audit opinion, no restatement or new material regulatory sanction was identified in the recent official set, and parent-common book excludes NCI and AT1. The forward bridge retains impairments in PBT/common NI and therefore does not deduct them again through OCI.

Capital allocation is disciplined for a bank. FY2025 dividends paid were SGD 8.151bn. The SGD 3bn cancellation buyback and SGD 5bn Capital Return framework are finite uses of surplus capital, and management has reduced buyback intensity at expensive P/B levels. The acquisition record is measured. Offsets are the current CEO's short proof period, unresolved external closure of outage remediation, no simple multi-year CEO LTIP formula tied to ROE/relative TSR/common BVPS, and an incomplete five-year SBC intensity series.

9. 20% Return Underwriting

The P/B-ROE method is locked across Bear, Base, Bull, probability weighting, the reverse-return diagnostic and net-SGD. Beginning parent common equity is SGD 70.166bn. Every scenario rolls it through cumulative parent-common net income, common dividends, SGD 0.225bn repurchases, SGD 1.085bn issuance/SBC direct equity and OCI/other direct-equity movements to a zero residual. Terminal diluted listed-equivalent shares are 2,861.256545m in all scenarios. No cash, debt, deposits, securities, AT1, NCI, other non-operating value or fee-platform value is added after BVPS times P/B.

Denominator and exit-multiple integrity

Item	Reported / current	Normalized / terminal	Conclusion
Provider-native P/B	3.0848653473192145x on provider bookValuePerShareTTM SGD 24.745146	Not relabelled	Native denominator preserved
Direct parent-common P/B	3.09437019036047x	Terminal parent-common BVPS	Comparable; NCI, AT1 and total equity excluded
Bear exit P/B	-	1.10x	Near 1.0273x Gordon identity and 1.0596x historical trough
Base exit P/B	-	1.75x	Near 1.7097x Gordon identity and 1.8070x FY2024 provider-native P/B
Bull exit P/B	-	2.50x	Near 2.5191x Gordon identity and below current 3.0944x
Forecast-period payout	-	55.0% / 65.0% / 75.0% Bear/Base/Bull	Determines actual 2027-2031 dividends and terminal common equity
Post-2031 mature payout	-	81.364096% / 82.720097% / 83.438749%	Begins only after 2031; retention times terminal ROE equals 2.0% / 2.5% / 3.0% long-run growth

The payout regimes are deliberately separate. Forecast-period payouts of 55% / 65% / 75% produce the five-year distributions and terminal book shown below. Immediately after 2031, mature payouts step to 81.364096% / 82.720097% / 83.438749%; corresponding retention of 18.635904% / 17.279903% / 16.561251% multiplied by terminal normalized ROE of 10.731972% / 14.467674% / 18.114573% equals long-run growth of 2.0% / 2.5% / 3.0%. The post-2031 payout supports only the coherent Gordon exit P/B. It is not added to pre-horizon distributions or the terminal common-equity roll-forward.

The excessive-optimism test passes because no scenario carries current 3.094x P/B forward; the Bull still requires 18.11% normalized ROE and an 83.438749% mature payout. The excessive-bearishness test passes because the Bear preserves SGD 90.661bn of parent common equity with positive 10.73% ROE; zero equity or a zero multiple would be unsupported. Multiples and both payout regimes were selected before returns and not reverse-engineered.

Security return underwriting

Case	Probability	Current price	Terminal equity value/share	Cumulative distributions/share	Terminal wealth/share	Gross SGD annualized return
Bear	30%	SGD 76.40	SGD 34.854471	SGD 9.042592	SGD 43.897063	**-10.49%**
Base	50%	SGD 76.40	SGD 56.252949	SGD 13.617079	SGD 69.870027	**-1.77%**
Bull	20%	SGD 76.40	SGD 77.634873	SGD 18.194276	SGD 95.829149	**4.64%**
Probability-weighted wealth	100%	SGD 76.40	-	-	SGD 67.269962	**-2.51%**

Probability-weighted gross IRR equals `(67.26996235024941 / 76.40)^(1/5) - 1 = -2.5132560547%`. It is not `30% × Bear IRR + 50% × Base IRR + 20% × Bull IRR`.

Amounts in the following required scenario tables are SGD billions except shares (millions), per-share values (SGD), ratios and percentages. The start equity date is 2026-06-30; SGD 76.40 is the 2026-08-25 price anchor. All returns use the exact 5.0-year TTM-to-horizon period. Tables show gross SGD underwriting; net-SGD diagnostics follow separately.

Bear-case operating and return bridge

Bear case	Start (2026-06-30; price 2026-08-25)	Horizon (2031-06-30)	CAGR / change	Justification
Retained investments	Not applicable	Not applicable	Not applicable	Insurer-specific row; DBS bank investment and funding economics are embedded once in common NI and book
Retained net investment income	Not applicable	Not applicable	Not applicable	No insurer retained-investment bridge
Parent-owned operating income excluding fees	Not applicable	Not applicable	Not applicable	Bank model uses statutory PBT and parent-common NI, not insurer underwriting economics
Fee income counted once	Embedded	Embedded	Counted once	Group fees flow through segment PBT and parent-common NI; no separate fee-platform value
Normalized common net income	SGD 11.221bn TTM	SGD 9.507062286bn	-3.26%	Lower rates, fee pressure, normalized trading and higher credit/tax costs
Beginning common equity	SGD 70.166bn at 2026-06-30	SGD 70.166bn	-	Parent ordinary funds; NCI and AT1 excluded
Cumulative common net income	-	SGD 46.967640836bn	cumulative	Exact five annual parent-common NI amounts from locked support
Common dividends	-	SGD 25.8322024598bn	cumulative	Locked 55% payout; also shareholder distributions
Common-share repurchases net of issuance	-	Repurchases SGD 0.225bn; issuance/SBC equity SGD 1.085bn; net +SGD 0.860bn	cumulative	Repurchases deducted and issuance added separately; share path reconciled
OCI and other common-equity movements	-	SGD (1.500)bn	cumulative	Locked SGD (0.300)bn annually; impairments remain inside NI
Terminal common equity	SGD 70.166bn	SGD 90.6614383762bn	5.26%	Complete roll-forward: 70.166 + 46.967641 - 25.832202 - 0.225 + 1.085 - 1.500
Diluted common share count	2,850.000000m	2,861.256545m	0.08%	Five years of 2.840314m annual issuance less 0.589005m annual retirement
Book value per common share	SGD 24.619649	SGD 31.685882	5.18%	Parent common equity divided by diluted shares
Normalized common ROE	17.50% H1	10.731972%	-6.77 pp	Terminal NI on average terminal-year parent common equity
Valuation	3.094370x direct parent-common P/B	1.10x P/B	-1.994370x	Locked near Gordon identity and historical trough; selected before returns
P/E cross-check	19.41x reported TTM P/E	10.49x share value/EPS; 10.25x P/B/normalized ROE	Lower	Point-in-time EPS/book differs from normalized ROE on average equity
Share value	SGD 76.40	SGD 34.854471	-14.53%	SGD 31.685882 BVPS times 1.10x; no other value added
Cumulative distributions	-	SGD 9.042592/share	cumulative	Sum of each year's common dividend divided by that year's diluted shares
Total ending value	SGD 76.40	SGD 43.897063/share	**-10.49% gross SGD IRR**	Share value plus distributions; zero unexplained equity residual

Base-case operating and return bridge

Base case	Start (2026-06-30; price 2026-08-25)	Horizon (2031-06-30)	CAGR / change	Justification
Retained investments	Not applicable	Not applicable	Not applicable	Insurer-specific row; DBS bank investment and funding economics are embedded once in common NI and book
Retained net investment income	Not applicable	Not applicable	Not applicable	No insurer retained-investment bridge
Parent-owned operating income excluding fees	Not applicable	Not applicable	Not applicable	Bank model uses statutory PBT and parent-common NI
Fee income counted once	Embedded	Embedded	Counted once	Wealth and other fees are inside segment PBT/common NI; no separate fee value
Normalized common net income	SGD 11.221bn TTM	SGD 12.965752170bn	2.93%	Wealth and transaction fees offset spread pressure with normalized trading
Beginning common equity	SGD 70.166bn at 2026-06-30	SGD 70.166bn	-	Parent ordinary funds; NCI and AT1 excluded
Cumulative common net income	-	SGD 59.850804218bn	cumulative	Exact five annual parent-common NI amounts from locked support
Common dividends	-	SGD 38.9030227417bn	cumulative	Locked 65% payout; also shareholder distributions
Common-share repurchases net of issuance	-	Repurchases SGD 0.225bn; issuance/SBC equity SGD 1.085bn; net +SGD 0.860bn	cumulative	Repurchases and issuance modeled once and separately
OCI and other common-equity movements	-	SGD 0.000bn	cumulative	Zero normalized net direct-equity movement; impairments remain in NI
Terminal common equity	SGD 70.166bn	SGD 91.9737814763bn	5.56%	Complete zero-residual parent-common roll-forward
Diluted common share count	2,850.000000m	2,861.256545m	0.08%	Same locked issuance and repurchase path in every scenario
Book value per common share	SGD 24.619649	SGD 32.144542	5.48%	Parent common equity divided by diluted shares
Normalized common ROE	17.50% H1	14.467674%	-3.03 pp	Terminal NI on average terminal-year parent common equity
Valuation	3.094370x direct parent-common P/B	1.75x P/B	-1.344370x	Locked near 1.7097x Gordon identity and FY2024 central anchor
P/E cross-check	19.41x reported TTM P/E	12.41x share value/EPS; 12.10x P/B/normalized ROE	Lower	Difference reflects point-in-time book versus average-equity normalized ROE
Share value	SGD 76.40	SGD 56.252949	-5.93%	SGD 32.144542 BVPS times 1.75x; no cash/debt adjustment
Cumulative distributions	-	SGD 13.617079/share	cumulative	Annual dividends divided by each year-end diluted share count
Total ending value	SGD 76.40	SGD 69.870027/share	**-1.77% gross SGD IRR**	Terminal share value plus distributions; zero residual

Bull-case operating and return bridge

Bull case	Start (2026-06-30; price 2026-08-25)	Horizon (2031-06-30)	CAGR / change	Justification
Retained investments	Not applicable	Not applicable	Not applicable	Insurer-specific row; bank assets/funding remain inside common earnings and book

Bull case	Start (2026-06-30; price 2026-08-25)	Horizon (2031-06-30)	CAGR / change	Justification
Retained net investment income	Not applicable	Not applicable	Not applicable	No insurer retained-investment bridge
Parent-owned operating income excluding fees	Not applicable	Not applicable	Not applicable	Bank model uses statutory PBT and parent-common NI
Fee income counted once	Embedded	Embedded	Counted once	Strong wealth and transaction fees are already inside common NI
Normalized common net income	SGD 11.221bn TTM	SGD 15.714926624bn	6.97%	Sustained wealth flows, Asian corporate formation and favorable execution
Beginning common equity	SGD 70.166bn at 2026-06-30	SGD 70.166bn	-	Parent ordinary funds; NCI and AT1 excluded
Cumulative common net income	-	SGD 69.309262259bn	cumulative	Exact five annual parent-common NI amounts from locked support
Common dividends	-	SGD 51.98194669425bn	cumulative	Locked 75% payout; distributions constrain terminal book growth
Common-share repurchases net of issuance	-	Repurchases SGD 0.225bn; issuance/SBC equity SGD 1.085bn; net +SGD 0.860bn	cumulative	Same locked capital-action and dilution path
OCI and other common-equity movements	-	SGD 0.500bn	cumulative	Locked SGD 0.100bn annual favorable direct-equity movement
Terminal common equity	SGD 70.166bn	SGD 88.85331556475bn	4.84%	High payout explains lower book growth despite stronger common NI
Diluted common share count	2,850.000000m	2,861.256545m	0.08%	Five-year issuance less repurchase share path
Book value per common share	SGD 24.619649	SGD 31.053949	4.75%	Parent common equity divided by diluted shares
Normalized common ROE	17.50% H1	18.114573%	+0.61 pp	Terminal NI on average terminal-year parent common equity
Valuation	3.094370x direct parent-common P/B	2.50x P/B	-0.594370x	Locked near 2.5191x Gordon identity and below current direct P/B
P/E cross-check	19.41x reported TTM P/E	14.14x share value/EPS; 13.80x P/B/normalized ROE	Lower	Positive EPS/book identity passes; normalized ROE uses average equity
Share value	SGD 76.40	SGD 77.634873	0.32%	SGD 31.053949 BVPS times 2.50x; no additional value
Cumulative distributions	-	SGD 18.194276/share	cumulative	Annual dividends divided by each year-end diluted share count
Total ending value	SGD 76.40	SGD 95.829149/share	**4.64% gross SGD IRR**	Terminal share value plus distributions; zero residual

Net-SGD diagnostic

The quoted security and reporting currency are both SGD, so FX translation is exactly 1.000000 and no FX gain is invented. Investor, broker and account facts are unavailable. The conservative diagnostic assumes 0.50% purchase cost, 0.50% sale cost and a 10.0% tax/withholding haircut on distributions. The same terminal BVPS, exit P/B, distributions and share path remain unchanged.

Case	Gross terminal wealth/share	Net terminal wealth/share	Gross SGD IRR	Net SGD IRR
Bear	SGD 43.897063	SGD 42.818531	-10.49%	**-11.02%**
Base	SGD 69.870027	SGD 68.227055	-1.77%	**-2.33%**
Bull	SGD 95.829149	SGD 93.621547	4.64%	**4.05%**

Case	Gross terminal wealth/share	Net terminal wealth/share	Gross SGD IRR	Net SGD IRR
Probability-weighted wealth CAGR	SGD 67.269962	SGD 65.683396	-2.51%	**-3.07%**

Every visible net-SGD IRR is shown to exactly two decimals. Portfolio fit and sizing are unavailable because current portfolio exposures were not provided; this does not constrain security returns. The return diagnostic is **PASS**, with `trade_execution_authorized=false`.

20% reverse-return and max-buy-price diagnostic

At SGD 76.40, 20% annual compounding for five years requires terminal shareholder wealth of SGD 190.107648 per share. Required terminal equity value equals that wealth less each scenario's locked distributions; required terminal BVPS then divides by the same locked exit P/B. Current parent-common BVPS for this diagnostic is SGD 24.688951, calculated from SGD 70.166bn and 2,842m period-end shares.

Case	Locked distributions/share	Required terminal BVPS	Required BVPS CAGR	Required retained common earnings	Max buy price for 20% IRR
Bear	SGD 9.042592	SGD 164.604596	46.15%	SGD 50.545011bn	SGD 17.641245
Base	SGD 13.617079	SGD 100.851754	32.51%	SGD 41.748317bn	SGD 28.079197
Bull	SGD 18.194276	SGD 68.765349	22.74%	SGD 35.641384bn	SGD 38.511586
Probability-weighted wealth	-	-	-	-	SGD 27.034289

The Base max-buy price is **SGD 28.08**, 63.25% below SGD 76.40. The required 32.51% Base BVPS CAGR is not plausible against the modeled 5.48% Base BVPS CAGR. This diagnostic uses P/B-ROE only and does not alter the locked exits.

10. Hard Veto Checklist

#	Test	Status	Finding
1	Incremental returns below cost of capital	Watch	Industrial ROIIC is unavailable; parent-common ROE remains above cost of equity but falls materially in Bear/Base
2	Reported returns from artificial denominator	Pass	Parent common equity and regulatory capital control; no tiny industrial capital denominator
3	Growth needs persistent external financing	Pass	Deposit funding and retained capital support growth without modeled external common equity
4	Material dilution without value	Pass	Historical dilution was about 1.1% cumulative; forward net dilution is explicit
5	Undisciplined large acquisitions	Pass	Record is measured, though the current CEO's acquisition proof is still prospective
6	Structural FCF shortfall	Pass, adapted	Industrial FCF is not used; earnings, capital and distributions reconcile
7	Regulation, leverage or cyclicality can impair equity	Watch	Rate, credit, open-finance and operational-resilience risks remain material
8	20% case requires multiple expansion	Pass	Every locked exit P/B is below comparable current P/B; hurdle failure comes from price/economics, not expansion
9	Flawless execution needed at today's price	**Fail**	Even Bull produces only 4.64% gross IRR; current price exceeds all model-supported 20% max-buy levels
10	Moat cannot be explained	Pass	Deposits, payments, wealth and corporate workflows form a coherent moat
11	Accounting/governance trust impaired	Watch	Audit and reporting are clean; outage remediation and MAS capital charge remain active

#	Test	Status	Finding
12	Balance-sheet risk can wipe out equity	Pass	Capital/liquidity are strong and every scenario retains positive common equity

The Fail on veto 9 and total score below 70 independently support Reject. The score does not authorize or override the final ER2 verdict.

11. Final Decision

SCORE-IMPLIED CLASSIFICATION: Reject. The evidence supports a strong bank franchise, but it does not support a 20% shareholder return at SGD 76.40. It does not even support a positive Base or probability-weighted gross return under the locked and independently justified P/B-ROE exits.

Compounder Score note: **57/100** — DBS has strong bank franchise economics, but the current price produces negative Bear, Base and probability-weighted five-year returns under the locked P/B-ROE bridge.

Business Quality Score note: **53/80** — ROE, capital, funding, credit and fee durability are good; industrial ROIIC is not meaningful, direct pricing-power evidence is limited, and both management and moat gates are YELLOW.

20% Return UW Score note: **4/20** — locked exits all de-rate from 3.094x current parent-common P/B, yet Base gross IRR is -1.77% and even Bull is only 4.64%.

Confidence: **Medium**. The valuation and parent-common-equity arithmetic are high-confidence because the preflight is validator-cleared and zero-residual. The quality score is capped by unavailable bank-valid marginal-return data, incomplete SBC intensity, direct pricing/churn gaps and limited current-CEO cycle evidence.

12. Machine-Readable JSON

The full-precision structured artifact is `C:\Users\Admin\OneDrive\GPT\ER 2.0\DBS Group Holdings Ltd\compounder_score.json`. It preserves all scenario roll-forwards, terminal wealth, gross and net-SGD returns, probability weights, reverse-return diagnostics, scores, vetoes and authority flags. Reader-facing net-SGD IRRs above are deliberately rounded to exactly two decimals; the JSON preserves full calculation precision.

Appendix CSA - Scoring Audit

DBS Group Holdings Ltd - Scoring Audit

Analysis date: 2026-08-26 Ticker: D05.SI Currency: SGD Primary valuation method: P/B-ROE Price anchor: SGD 76.40 on 2026-08-25 Return horizon: 2026-06-30 to 2031-06-30, exactly 5.0 years Audit status: Cleared after VP reseal and CS rerun

The resealed valuation preflight passed schema, semantic and evidence-file validation at SHA-256 `d97009f968fea03429a9a8e2a5ec942100277fc20cd4befeea600cdf03b5851a`. Its support file matches SHA-256 `76cc2bcd0ec684c5630c5b0180c83dcdfd94212032a842b5ac5ff2349755b52a`. The rerun CS Markdown and JSON match `c4833fc7577c4176806bf4c406b091eb613eac6a0c55bcbdb2200ba5c2f8a61c` and `982287b9ec5147394aa021af2ea4fdcb23d752c10b706559ffa29ea3277854c9`. Every VP evidence binding hash-matches its on-disk source.

The reseal resolves the former Red Team growth-versus-payout objection. VP now distinguishes the 2027-2031 forecast payout ratios, which determine actual dividends and terminal common equity, from post-2031 mature payout ratios used only in the Gordon P/B identity. Retention multiplied by terminal normalized ROE equals the stated long-run growth in all three scenarios. Exit P/B, five-year distributions, terminal common equity and all returns are unchanged. This repair improves economic coherence but does not supply missing business-quality evidence or improve the 20% return outcome, so the audited scores remain 51/100, 47/80 and 4/20.

1. Original vs Audited Scores

Item	Original CS	Audited CSA	Notes
Business Quality Score / 80	53/80	47/80	Six unsupported qualitative points remain removed
Valuation / 20% Return UW Score / 20	4/20	4/20	Return arithmetic and exit-multiple coherence pass; returns remain far below 20%
Compounder Score / 100	57/100	51/100	Business Quality plus Return Underwriting
Score-implied classification	Reject	Reject	Below 70 with a failed price/perfection veto

The score reductions are unchanged from the first audit. Subscore 1C falls from 2/3 to 0/3 because no bank-valid three- or five-year ROIIC series exists, so a favorable ROIIC trend cannot be established. Subscore 2A falls from 4/5 to 3/5 because the SGD 1tn AUM aspiration is management-led and lacks a complete organic-flow, fee-yield and churn history; the 60% qualitative cap applies. Subscore 3F falls from 1/1 to 0/1 because the moat report explicitly rates AI, open-finance and tokenized-money disruption as unresolved and the 2046 test YELLOW. Subscore 4F falls from 1/1 to 0/1 because outage remediation and the MAS operational-risk capital charge remain active control conditions despite an unmodified audit. Subscore 5B falls from 2/2 to 1/2 because acquisition-inclusive returns are unavailable and the current CEO has no completed material acquisition.

Category	Original	Audited	Evidence conclusion
1. Incremental returns on capital	12/25	10/25	Common ROE and capital are supported; industrial ROIIC is unavailable and not invented
2. Reinvestment runway	15/20	14/20	Wealth and institutional runway are real; management-led TAM evidence is capped
3. Durability of moat	10/15	9/15	Deposits and workflows are credible; direct pricing and long-duration disruption proof are incomplete
4. Accounting and financial quality	8/10	7/10	Statutory and capital evidence is strong; the unresolved operational-control charge prevents a clean full score
5. Capital allocation	8/10	7/10	Buyback discipline is supported; acquisition-return proof is incomplete

Category	Original	Audited	Evidence conclusion
6. Price and 20% return underwriting	4/20	4/20	Distributions and coherent de-rating exits earn limited points; no scenario approaches 20%

2. Preflight and Payout-Growth Coherence Audit

CS exactly copied the VP-locked P/B-ROE method, direct current parent-common P/B of 3.09437019036047x, provider-native P/B of 3.0848653473192145x, and 1.10x / 1.75x / 2.50x exit P/B values. Parent common equity excludes NCI and AT1. No net cash, debt, deposits, leases, securities, managed assets, fee-platform value or other item is added after terminal BVPS multiplied by exit P/B. The method is unchanged across Bear, Base, Bull, probability weighting, max-buy and net-SGD.

The post-2031 mature payout identity independently replays as follows:

Case	Terminal normalized ROE	Mature retention	Mature payout	ROE x retention	Long-run growth	Gordon P/B	Locked exit P/B
Bear	10.731972086542%	18.635903856926%	81.364096143074%	2.000000000000%	2.000000000000%	1.027290833710780x	1.10x
Base	14.467673980369%	17.279902791507%	82.720097208493%	2.500000000000%	2.500000000000%	1.709667711481320x	1.75x
Bull	18.114573247004%	16.561251314580%	83.438748685420%	3.000000000000%	3.000000000000%	2.519095541167310x	2.50x

The Gordon identities also match by both forms: `(ROE - g) / (cost of equity - g)` and `mature payout x ROE / (cost of equity - g)`. The forecast-period payouts remain 55% / 65% / 75%. They determine the 2027-2031 dividend cash flows and terminal book value only. The 81.364096% / 82.720097% / 83.438749% mature payouts start after 2031 and support terminal valuation only; they are not added to five-year shareholder distributions.

This treatment is economically coherent for a mature bank provided distributability and regulatory capital permit it. Lower steady growth reduces required retention, and DBS already combines ordinary dividends with an excess-capital framework. The assumption is not authorization for a future distribution. If post-2031 capital cannot be distributed at these rates, the corresponding sustainable growth and exit P/B must be reduced together; the model cannot preserve the multiple by return targeting.

The excessive-optimism challenge passes at Medium confidence. Bull combines 18.114573% normalized ROE, 3.0% mature growth, 83.438749% payout, 9.0% cost of equity and 2.50x exit P/B. That is a favorable stack, but the exit is below current 3.094370x P/B, is close to the 2.519096x Gordon identity and produces only 4.64% gross IRR. It earns no extra score. The excessive-bearishness challenge also passes. Bear preserves SGD 90.661438bn of parent common equity and 10.731972% normalized ROE. A 1.10x exit is near the historical trough and the 1.027291x identity. Retaining the 55% forecast payout forever would imply about 4.83% growth and would make the low P/B artificially punitive; the mature 81.364096% payout removes that inconsistency.

Former RT objection status: ECONOMICALLY RESOLVED BY VP RESEAL. The resolution is hash-bound, scenario-specific and does not alter the five-year shareholder bridge.

3. Common-Equity and P/B-ROE Arithmetic Replay

All fifteen annual equity rows were independently replayed. For each year and scenario, ending parent common equity equals beginning equity plus parent-common net income, less dividends and repurchases, plus issuance/SBC direct equity and OCI/other direct movements. Every annual residual and each cumulative residual is exactly zero at source precision.

P/B-ROE bridge item	Bear	Base	Bull
Opening parent common equity, SGD bn	70.166000000000	70.166000000000	70.166000000000
Cumulative common NI, SGD bn	46.967640836000	59.850804218000	69.309262259000
Cumulative common dividends, SGD bn	25.832202459800	38.903022741700	51.981946694250
Cumulative repurchases, SGD bn	0.225000000000	0.225000000000	0.225000000000
Cumulative issuance/SBC direct equity, SGD bn	1.085000000000	1.085000000000	1.085000000000

P/B-ROE bridge item	Bear	Base	Bull
Cumulative OCI/other direct movements, SGD bn	-1.500000000000	0.000000000000	0.500000000000
Terminal parent common equity, SGD bn	90.661438376200	91.973781476300	88.853315564750
Terminal diluted shares, million	2861.256545000	2861.256545000	2861.256545000
Terminal BVPS, SGD	31.685882391297	32.144542102323	31.053949258769
Terminal normalized common ROE	10.731972086542%	14.467673980369%	18.114573247004%
Exit P/B	1.100000000000x	1.750000000000x	2.500000000000x
P/B divided by normalized ROE implied P/E	10.249747121309x	12.095931954055x	13.801042762150x
Share value divided by statutory EPS implied P/E	10.489842099875x	12.413789456499x	14.135178243380x
Terminal equity value per share, SGD	34.854470630427	56.252948679065	77.634873146922
Cumulative distributions per share, SGD	9.042592219297	13.617078732674	18.194275800391
Terminal shareholder wealth per share, SGD	43.897062849724	69.870027411739	95.829148947313
Gross local IRR	-10.490646408035%	-1.771047907665%	4.635933824715%
Unexplained common-equity residual, SGD bn	0.000000000000	0.000000000000	0.000000000000

Starting forward diluted shares are 2,850.000000m. Annual 2.840314m issuance less 0.589005m retirement produces 2,852.251309m, 2,854.502618m, 2,856.753927m, 2,859.005236m and 2,861.256545m. Repurchases reduce both common equity and shares; issuance/SBC adds direct equity and shares while the compensation expense remains in common net income.

Probability-weighted terminal shareholder wealth is `0.30 x 43.89706284972444 + 0.50 x 69.87002741173893 + 0.20 x 95.82914894731306 = SGD 67.26996235024941`. Its CAGR is `(67.26996235024941 / 76.40)^(1/5) - 1 = -2.513256054724%`. CS correctly annualizes expected terminal wealth instead of averaging scenario IRRs.

The Base max-buy price for a 20% five-year return is `69.87002741173893 / 1.20^5 = SGD 28.079196972953`, rendered SGD 28.08. The method-matched reverse hurdle remains implausible: Base requires about 32.51% BVPS CAGR against modeled Base BVPS growth near 5.48%.

4. Net-SGD Diagnostic

FX is 1.000000 because both quote and reporting currency are SGD. The overlay uses a 0.50% entry cost, 0.50% exit cost and 10% distribution haircut. For each scenario, net terminal wealth equals `terminal share value x 0.995 + distributions x 0.90`, and net IRR uses entry price `76.40 x 1.005`. It does not change book value, payout, exit P/B or capital structure.

Case	Net terminal wealth per share	Net-SGD IRR
Bear	42.818531274643	-11.02%
Base	68.227054795076	-2.33%
Bull	93.621547001539	4.05%
Probability-weighted wealth CAGR	65.683396180239	-3.07%

The full-precision net-SGD IRRs are -11.023673944730%, -2.334890624263%, 4.045494484028% and -3.074235331213%. Visible values are correctly rendered to two decimals.

5. Evidence Gaps and Threshold Audit

The most important missing evidence remains a bank-valid marginal return-on-risk-weighted-capital series by segment. Other gaps are a clean five-year SBC-intensity series, multi-year wealth fee yield and organic net-new-money history, churn, current deposit beta, operating-deposit retention and current-CEO acquisition-return evidence. The payout-growth reseal does not fill these Business Quality gaps.

The total score remains below 70, Business Quality remains below 65/80, Return Underwriting remains below 15/20, Base and Bear fail their return thresholds and the price/perfection hard veto remains FAIL. The 20% hurdle therefore fails. The dream-business/dream-investment classification remains **neither**, and the score-implied classification remains **Reject**.

No ranking, allocation, sizing, trade execution, portfolio mutation or owner action is authorized.

6. Stage 7 Scorecard Notes

Compounder Score note: **51/100** - DBS has credible bank economics and a now-coherent terminal payout-growth bridge, but evidence gaps and negative Base and probability-weighted returns keep the diagnostic classification at Reject.

Business Quality Score note: **47/80** - capital, funding, credit and fee durability are good; missing marginal-return proof, management-led runway evidence, disruption risk and unresolved control conditions reduce the score.

20% Return UW Score note: **4/20** - the resealed exits are payout-growth coherent and all de-rate from current P/B, yet Base gross IRR is -1.77% and even Bull reaches only 4.64%.

7. Auditor JSON

The full-precision structured audit is in `compounder_score_audit.json`. It binds the new VP, support and CS hashes; preserves the audited scores; records the mature-payout identities; marks the former RT objection resolved; and contains the full gross, net-SGD, probability-weighted wealth and authority controls.

Appendix RT - Red Team

DBS Group Holdings Ltd — Red Team

Ticker: D05.SI **Review date:** 2026-08-26 **Price anchor:** SGD 76.40 on 2026-08-25 **Exact return horizon:** 2026-06-30 to 2031-06-30, 5.0 years **Primary valuation method:** P/B-ROE in Bear, Base, Bull, probability weighting, reverse return and net-SGD **Scope:** Operating and return-model invalidation only. No trade, portfolio, ranking, sizing, execution or messaging authority.

The repaired artifacts hash-match their dispatch locks: `valuation_preflight.json` at `d97009f968fea03429a9a8e2a5ec942100277fc20cd4befeea600cdf03b5851a`; `valuation_preflight_support.json` at `76cc2bcd0ec684c5630c5b0180c83dcdfd94212032a842b5ac5ff2349755b52a`; `appendix_compounder_score.md` at `c4833fc7577c4176806bf4c406b091eb613eac6a0c55bcbdb2200ba5c2f8a61c`; `compounder_score.json` at `982287b9ec5147394aa021af2ea4fdcb23d752c10b706559ffa29ea3277854c9`; `appendix_scoring_audit.md` at `f1bdb56a7c5c927334d7d298ee8cfeb580f5d8afb8a6bf748075ada544048655`; and `compounder_score_audit.json` at `beaf8e994bb036d3f1443f258db9e982ec6f46d9f2cbd44542218cbb7e96b03e`. The synthesis remains unchanged at `f854e1600fa3d5dc63d29d3843ab7625f30ab245407c61c9518d9d260e280605`. The audited score is preserved at 51/100, comprising Business Quality 47/80 and Return Underwriting 4/20, with Reject unchanged. The installed preflight validator returned `VALUATION_PREFLIGHT_VALID` with the new VP hash and evidence-file checks.

1. The most fragile assumption

The most fragile operating assumption is **Base Consumer Banking / Wealth Management total-income CAGR of 4.6%, from SGD 10.780 billion to SGD 13.498 billion**. It is not absurd, but it is the line with the largest dependence on several favorable drivers being simultaneously true: wealth AUM compounds 8.6%, wealth fees compound 9.2%, absolute NII resumes growth after the current decline, deposit gathering remains valuable after pricing, and the segment PBT margin expands 65 basis points to 45.0%. The latest H1 2026 segment-income growth of 4.5% supports the first step, but group NII was down 3%, while Q2 wealth-fee growth of 42% is explicitly activity-sensitive and far above a sustainable rate. A market drawdown can hit AUM, transaction volume and fee yield at once, while lower rates reduce deposit value.

The synthesis sensitivity is informative: reducing the CBWM CAGR from 4.6% to 2.6% lowers Base EPS from SGD 4.531489 to SGD 4.367850, a SGD 0.163639 or 3.6% reduction. That local test holds the 45.0% terminal PBT margin fixed. A real disappointment would likely compress both growth and conversion, so the one-variable sensitivity understates the joint downside. The first invalidating evidence would be wealth-fee growth falling below AUM growth for two reporting periods while absolute NII remains negative year over year.

2. The most-likely-to-be-optimistic Stage 5 number

The single Stage 5 number most likely to be revised down is **Base 2031 parent-common net income of SGD 12.965752 billion**. It requires group total income of SGD 28.045553 billion and PBT of SGD 15.474645 billion, with 55.18% PBT conversion, a 16.2% tax rate and essentially no NCI leakage. The number is only 15.6% above the current TTM parent profit over five years, but its smoothness is the problem: it assumes no discrete credit, operational-resilience, conduct or regulatory-capital event, while customer income reaccelerates after the rate reset. It also retains SGD 2.374 billion of Base PBT from the opaque Others segment at a 105% PBT-to-income ratio. That ratio is normalized below the TTM 115.6%, yet still capitalizes an undisclosed central residual as durable earnings. The likely error is not one spectacular miss; it is a few hundred million each from lower CBWM fee density, a slower NII recovery, normalized wholesale allowances and less favorable central conversion.

3. Strongest bear case in its strongest form

DBS is priced as though high-teens bank ROE and elite capital returns persist, but its earnings still contain a favorable combination of benign credit, wealth-market activity, sticky deposit economics and central-book income. A lower-rate path can reduce absolute NII before loan growth compensates, while wealth fees normalize from the Q2 surge and credit costs rise from H1's 15 basis points toward or above cycle norms; CBWM and IBG then suffer both revenue and PBT-margin pressure

within four half-year periods. The fully phased CET1 ratio is already 200 basis points below the reported ratio, and unresolved operational-resilience charges show that capital and control costs can absorb economics even without a credit crisis. The bear is validated if combined CBWM and IBG PBT falls at least 10% year over year in two consecutive half-years while specific allowances remain at or below 25 basis points, because that would identify structural spread/fee/workflow erosion rather than merely a loan-loss cycle.

4. Cross-examination of management commentary

“The $1 trillion is optimistic, but not unrealistic.” Tan Su Shan described combined retail and wealth AUM of roughly SGD 680 billion reaching SGD 1 trillion by end-2030 in the [Q2 2026 analyst transcript](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2026/2Q26_analyst_transcript.pdf). That requires about 8% annual compounding, but reported AUM mixes organic flows with market and FX effects, while the source set lacks a multi-year organic-flow, churn and fee-yield bridge. The first failure signal is combined AUM growth below 6% for two half-years, or wealth fees growing at least five percentage points slower than AUM, implying weaker monetization.

“We are raising our guidance for commercial book non-interest income growth to the mid-teens, as wealth management is firing on all cylinders.” This Q2 2026 statement in the [media transcript](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2026/2Q26_media_transcript.pdf) describes a favorable activity period, not a five-year rate. Q2 wealth fees were up 42%, and the segment appendix rightly refuses to extrapolate that pace. The skeptical reading is that current transaction intensity and constructive markets are doing more work than recurring adviser productivity or pricing. A wealth-fee/AUM context ratio below 0.60% for two half-years, versus 0.633% at the anchor, would show that AUM growth is becoming custody/deposit-heavy rather than economically dense.

“Our total income should exceed last year's level despite the significant decline in interest rates.” Management also expected the first-half 3% NII decline to narrow for the full year, using a SORA assumption near 1.2%, in the same Q2 media transcript. This is a defensible FY2026 guide, but it does not prove the Base five-year reacceleration. Deposit growth can be NII accretive and still earn a lower marginal spread, especially if customers demand more of the rate move. The first contradiction would be absolute group NII down more than 5% year over year in either of the next two half-years despite deposit growth above 6%.

5. Stage 5 tie-out reverification

The recency anchor is sound. Q3 2025, Q4 2025, Q1 2026 and Q2 2026 total income sum to SGD 23.304 billion; governed statutory PBT sums to SGD 13.390 billion; and parent-common profit sums to SGD 11.221 billion. The alternative FY2025 less H1 2025 plus H1 2026 bridge reproduces the same totals. The model is not starting from a stale FY2025 trend line. It also correctly normalizes Markets Trading's 42.9% TTM PBT conversion and does not preserve Others' 115.6% conversion unchanged.

The share path is conservative but approximate, not a material break. It starts at 2,850.0 million diluted shares, converts annual SGD 217 million SBC at the fixed SGD 76.40 price into 2.840314 million shares, retires 0.589005 million shares for SGD 45 million annually, and ends at 2,861.256545 million. The expense remains in net income and the direct-equity credit is added once. Holding terminal shares 5% lower would increase per-share wealth by about 5.26% and Base IRR by roughly one percentage point; simply holding shares flat instead of allowing the modeled 0.395% net dilution changes return by less than 0.1 percentage point. The unexercised cancellation authorization is correctly not invented as a five-year buyback promise.

No segment CAGR obviously outruns the disclosed deceleration without a named reason. CBWM Base at 4.6% is below its 8.5% history, IBG Base at 3.5% follows a negative 2.6% history but begins at only 2%, Markets Trading Base at 2.9% collapses from its rebound rate, and Others Base at 1.2% refuses to repeat the 36.9% historical CAGR. The weakness is joint dependence: Base needs customer growth, fee density, credit normalization and expense discipline together, not an isolated CAGR excess.

6. Score-derived 20% return claim

There is no credible positive 20% return claim to defend. The audit correctly records Base gross IRR of -1.7710479077%, Bear -10.4906464080%, Bull +4.6359338247%, probability-weighted expected-wealth CAGR of -2.5132560547%, and a Base 20% max-buy-price diagnostic of SGD 28.08. The 20% hurdle would require 32.50618854% Base BVPS CAGR versus modeled Base BVPS growth near 5.48%. No plausible adjustment to SBC, share count, ordinary dividends or a single

segment forecast closes that gap. The score's likely failure would instead be any narrative implying that strong business quality rescues the entry price; it does not. Even the favorable return sensitivity below remains nowhere near 20%.

7. Two-sided valuation challenge and independent arithmetic replay

The parent-common perimeter is correct. Opening equity is SGD 70.166 billion of parent ordinary shareholders' funds; SGD 0.051 billion NCI and AT1 are excluded. Dividends and repurchases reduce book once, SBC issuance adds direct equity once while the expense remains in net income, OCI enters once, and distributions are added once to terminal shareholder wealth. My independent summary replay is:

Replay item	Bear	Base	Bull
Opening parent common equity, SGD bn	70.166000	70.166000	70.166000
Cumulative common NI, SGD bn	46.967641	59.850804	69.309262
Less dividends / repurchases, SGD bn	26.057202	39.128023	52.206947
Plus issuance and OCI/other, SGD bn	(0.415000)	1.085000	1.585000
Terminal parent common equity, SGD bn	90.661438	91.973781	88.853316
Zero-residual check	Passed	Passed	Passed
Terminal BVPS, SGD	31.685882	32.144542	31.053949
Exit P/B	1.10x	1.75x	2.50x
Share value plus distributions, SGD	43.897063	69.870027	95.829149
Replayed gross IRR	(10.490646%)	(1.771048%)	4.635934%

Expected wealth also replays: `30% x 43.89706285 + 50% x 69.87002741 + 20% x 95.82914895 = SGD 67.26996235`; annualizing against SGD 76.40 gives -2.5132560547%. Net-SGD applies the same method: 0.5% entry cost, 0.5% terminal sale cost, 10% distribution withholding and no FX translation, producing -11.023674%, -2.334891%, +4.045494% and probability-weighted -3.074235%. There is no arithmetic, perimeter or distribution double count.

Strongest reason the audited model may be too optimistic. Base 1.75x P/B depends on a 9.5% cost of equity and 2.5% terminal growth despite Management and Moat both remaining YELLOW, the fully phased CET1 headwind and unresolved direct pricing/churn evidence. A clearly labelled, non-controlling same-method stress using the Bear cost of equity of 10.5% and 2.0% growth with Base ROE of 14.467674% yields `(14.467674% - 2.0%) / (10.5% - 2.0%) = 1.466785x`. That produces terminal wealth of SGD 60.766217 and gross IRR of -4.475721%, 2.704673 percentage points below audited Base. This does not replace the lock; it shows that Base is highly sensitive to a one-point risk-premium judgment.

Former strongest reason the audited model might be too bearish — defect and repair trail. The first RT correctly objected that the original locked Gordon P/B evidence used terminal growth of 2.0%/2.5%/3.0% while displaying modeled payout ratios of 55%/65%/75% without saying those payouts ended at 2031. If those forecast payouts had continued forever, `g = ROE x retention` would have implied 4.8294%/5.0637%/4.5286% growth. The same-method sensitivity then produced P/B values of 1.040908x/2.119775x/3.038436x, Base wealth of SGD 81.756278 and Base gross IRR of +1.364423%, 3.135470 points above audited. At 30%/50%/20%, expected wealth was SGD 75.995482 and gross CAGR -0.106120%, 2.407136 points above audited; net-SGD was -0.637578%, 2.436657 points above audited. That was a valid material objection to an unstated terminal payout regime, not a proposed replacement valuation.

VP has now resolved that exact defect by distinguishing the 2027-2031 dividend payout used in the common-equity roll-forward from an explicit mature payout beginning immediately after 2031-06-30. My independent recheck is:

Case	2027-2031 payout	Post-2031 mature payout	Mature retention	Terminal ROE x retention	Long-run growth	Gordon P/B	Locked P/B
Bear	55.00%	81.364096%	18.635904%	2.000000%	2.000000%	1.027291x	1.10x
Base	65.00%	82.720097%	17.279903%	2.500000%	2.500000%	1.709668x	1.75x
Bull	75.00%	83.438749%	16.561251%	3.000000%	3.000000%	2.519096x	2.50x

Both Gordon forms, `(ROE - g) / (cost of equity - g)` and `mature payout x ROE / (cost of equity - g)`, reproduce the support file. The post-2031 payout is not added to five-year distributions or used to change terminal common book. It is economically plausible as a mature-bank steady state because required retention falls with slower growth and DBS

already has excess-capital distribution machinery, subject to Board and regulatory approval. If future capital cannot be distributed at those rates, growth and the exit P/B must be reduced together; one cannot preserve the P/B by silently assuming retained capital earns nothing. The former high-P/B sensitivity is therefore no longer a correction to the controlling bridge. It is only a conditional state in which the now-explicit payout transition fails.

The five-year payout choices themselves are not obviously optimistic. Because exit P/B exceeds 1.0x, paying more before exit reduces book value by more than one dollar of terminal market value for each dollar distributed. Base 65% and Bull 75% are therefore punitive to terminal wealth, while Bear 55% is nearly neutral at 1.10x. OCI is immaterial: removing Bull's cumulative +SGD 0.5 billion lowers value by only about SGD 0.44 per share; removing Bear's cumulative -SGD 1.5 billion raises value by about SGD 0.58 per share. The 30%/50%/20% probabilities are not demonstrably too bearish; if anything they are mildly optimistic because rate, wealth, trading and credit shocks are correlated. Even shifting ten points from Bull to Bear produces expected wealth of SGD 62.076754 and CAGR of -4.067198%, only 1.553942 points below audited, while the Reject remains unchanged. There is no source-bound basis for a larger reweighting, so probability judgment alone is not the material objection.

Repair-chain conclusion. VP performed the exact reroute requested by RT, resealed the payout/growth identities, and bound the repaired support file. CS copied the new lock without changing exit P/B, terminal wealth or returns. CSA independently replayed all identities and marked the former objection economically resolved. I reproduced the five-year distribution-per-share schedule using each year's diluted shares, all 15 annual equity rows, terminal BVPS, P/B/ROE/implied-P/E cross-checks, scenario wealth, expected-wealth CAGR and net-SGD overlay; the maximum observed difference from CS/CSA was approximately `5.2e-14` in the displayed arithmetic scale.

No other material return objection remains. The Base 10.5%-cost/2.0%-growth downside remains the strongest optimism sensitivity, but it is not an evidence-required correction: the locked 9.5%/2.5% Base assumptions are independently anchored by the coherent Gordon identity, DBS's FY2024 P/B and current peer range. The alternative changes risk-premium and growth judgments together and therefore does not expose a denominator, method or accounting defect. Fixed share count, OCI and a supportable probability reweight remain below the 2-point materiality threshold, and none changes Reject or the 20% hurdle conclusion.

8. P&C insurer return-bridge cross-examination

Not applicable. DBS is a bank, not a P&C insurer, reinsurer or substantially similar underwriting vehicle. No industrial FCF/NOPAT or insurer retained-premium, fee/NCI, catastrophe, reserve or managed-capital fields are used or fabricated. The controlling bank parent-common-equity bridge is the correct perimeter.

9. The signal that forces an exit

The primary invalidation signal is **combined CBWM and IBG PBT declining at least 10% year over year for two consecutive half-year reporting periods while group specific allowances remain at or below 25 basis points**. The two-period condition avoids reacting to one quarter of market activity; the allowance ceiling distinguishes franchise spread/fee/workflow deterioration from an ordinary credit cycle. It invalidates the Base premise that primary deposits, wealth monetization and transaction workflows offset rate pressure. Crossing it requires a full thesis and valuation re-underwrite; it is not an instruction to transact.

10. Conviction at the end of red team

The operating franchise survives; the security-return thesis still does not clear the return bar. DBS has real funding, wealth and institutional-workflow advantages, strong capital and a reconciled accounting perimeter. The repaired return model is now publication-ready from the RT perspective: the former terminal payout/growth defect is explicitly resolved, and no other material objection remains. The audited 20% case is still decisively unavailable at SGD 76.40, so the final narrative should be “durable bank, price-dependent security, coherent mature capital return, inadequate prospective return,” not “quality compounds through valuation.” The repair changes model coherence, not the 51/100 score, Reject classification or audited returns.

RETURN_MODEL_OBJECTION_STATUS: MATERIAL_RESOLVED

Appendix D - Data Package

DBS Group Holdings Ltd — Data Package

Run ID: `pulse-cio-20260826T120230+0800` Data cutoff: 2026-08-26 SGT Reporting currency and scale: SGD millions unless stated otherwise Latest completed period: H1 2026 ended 2026-06-30 Forecast horizon anchor: 2031-06-30, exactly five years after the TTM anchor Trade execution authorized: false

This package uses live FMP `/stable/` calls and live DBS Investor Relations files fetched in this D-stage run. The D-stage archives are under `C:\Users\Admin\OneDrive\GPT\ER 2.0\DBS Group Holdings Ltd\raw\pulse-cio-20260826T120230+0800\d_live_20260826`. Newly pulled FMP JSON was copied without overwrite to `C:\Users\Admin\OneDrive\Cowork\Investing\data warehouse\2026-08-26\D05_SI_D_pulse-cio-20260826T120230+0800`. No cached warehouse financial, segment, or transcript file was used as evidence.

0a. Industry classification and disclosure inventory

DBS is a Singapore-incorporated diversified bank reporting under SFRS(I), with a 31 December fiscal year-end and ordinary shares listed as XSES:D05. The controlling source set is the DBS annual report, quarterly performance summary or trading update, financial-data supplement, Pillar 3 disclosure, press statement, and live analyst or media transcript. FMP is useful for provider cross-checks but its annual and quarterly product and geographic arrays were empty, and its generic bank revenue and cash classifications are not comparable with DBS statutory total income and cash equivalents. Official DBS labels therefore control after explicit reconciliation.

Live official source set: [FY2025 Annual Report](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2025/DBS%20Annual%20Report%202025.pdf), [FY2024 Annual Report](https://www.dbs.com/iwov-resources/images/investors/annual-report/dbs-annual-report-2024.pdf), [FY2023 Annual Report](https://www.dbs.com/iwov-resources/images/investors/annual-report/dbs-annual-report-2023.pdf), [FY2022 Annual Report](https://www.dbs.com/iwov-resources/images/investors/annual-report/dbs-annual-report-2022.pdf), [FY2021 Annual Report](https://www.dbs.com/iwov-resources/images/investors/annual-report/dbs-annual-report-2021.pdf), [Q2/H1 2026 performance summary](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2026/2Q26_performance_summary.pdf), [Q2/H1 2026 supplement](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2026/2Q26_suppl.xls), [Q2/H1 2026 Pillar 3](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2026/2Q26_P3_other_regulatory_disclosures.pdf), [Q2 2026 press statement](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2026/2Q26_press_statement.pdf), [Q1 2026 update](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2026/1Q26_trading_update.pdf), [FY2025 performance summary](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2025/4Q25_performance_summary.pdf), [FY2025 supplement](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2025/4Q25_suppl.xls), and [Q3 2025 update](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2025/3Q25_trading_update.pdf).

Search terms applied to official files were: net interest income, NII, net interest margin, NIM, average interest-bearing assets, loans, deposits, Casa, loan-to-deposit, CET1, Tier 1, leverage ratio, RWA, LCR, NSFR, NPL, non-performing assets, provisions, allowance, coverage, specific allowance, credit cost, fee income, trading income, cost-income, ROA, ROE, ROTE, tangible equity, book value, dividend, buyback, commercial real estate, building and construction, segment, geography, reorganisation, and reclassification.

Dataset / table family	Official source searched	Search terms or table names	Years available	Included?	Exclusion or boundary	Downstream relevance
Segment economics	Annual reports and supplements	Business unit performance; segment reporting	FY2021-FY2025; H1 2026	Yes	Current Markets Trading taxonomy comparable from FY2023; FY2021-FY2022 retain old Treasury Markets label	Segment forecasts and statutory bridge
NII and average balances	Annual reports and H1 supplement	Net interest income, average balances and rates	FY2021-FY2025; H1 2026	Yes	Annual average assets are calculated from official NII and NIM; H1 2026 is directly disclosed	Margin and balance-sheet drivers

Dataset / table family	Official source searched	Search terms or table names	Years available	Included?	Exclusion or boundary	Downstream relevance
Loans and deposits	Annual reports and H1 supplement	Customer loans; deposits by product; loan industry mix	FY2021-FY2025; H1 2026	Yes	Five-year totals and Casa mix are clean; detailed loan industry mix shown for FY2025 and H1 2026	Funding, credit and growth
Fee categories and wealth	Annual reports and H1 supplement	Investment banking; transaction services; loan-related; cards; wealth management; AUM	FY2021-FY2025; H1/TTM 2026	Yes	Categories are group-level, not assigned to reportable segments	Product economics and moat
Credit quality	Five-year summary and H1 supplement	NPL; NPA; allowances; coverage; SP for average loans	FY2021-FY2025; H1 2026	Yes	Annual allowance charges and specific-allowance credit costs are retained on their exact disclosed bases	Downside and capital loss capacity
Capital and liquidity	Annual reports; performance summaries; supplement; Pillar 3	CET1; RWA; Tier 1; total capital; leverage; LCR; NSFR	FY2021-FY2025; H1 2026	Yes	FY2024 begins the Basel III reform transitional basis; fully phased CET1 is separately labeled	Solvency and distributions
Parent-common equity and per share	Annual reports and H1 supplement	Ordinary shareholders' funds; diluted shares; net book value; tangible equity	FY2021-FY2025; H1 2026	Yes	NCI and additional Tier 1 instruments are excluded from common equity; simple TBVPS subtracts gross goodwill and intangibles	P/B-ROE valuation
Geography and concentrations	Annual reports; supplement; Pillar 3	Geographic segment performance; loans by geography and industry	FY2021-FY2025; H1 2026	Yes	H1 values are interim, not annualized	Diversification and tail risk
Recent trend and guidance	Q3 2025-Q2 2026 releases and transcripts	Outlook; guidance; NII; wealth; credit cost; cost-income	Four latest quarters	Yes	Standalone-quarter reportable-segment PBT is not disclosed; half-year segment trend is used	Recency and forecast boundaries

Bank KPI history

KPI family	Granularity	FY2021	FY2022	FY2023	FY2024	FY2025	H1 or TTM 2026	Source
Total income	Group	14,188	16,502	20,180	22,297	22,900	23,304 TTM	Five-year summary; H1 supplement; TTM derived as H2 2025 plus H1 2026
Net interest income	Group	8,440	10,941	13,642	14,424	14,500	14,246 TTM	Annual income statements; H1 supplement
NIM	Group	1.45%	1.75%	2.15%	2.13%	2.01%	1.88% H1	Annual five-year summary; H1 supplement
Average interest-bearing assets	Group	582,069 calc.	625,200 calc.	634,512 calc.	677,183 calc.	721,393 calc.	758,758 direct H1	Annual NII divided by NIM; H1 supplement directly disclosed
Customer loans	Group net	408,993	414,519	416,163	430,594	445,011	469,380	Five-year summary; H1 supplement
Customer deposits	Group	501,959	527,000	535,103	561,730	610,023	638,203	Five-year summary; H1 supplement
Loan-to-deposit	Group	81.5%	78.7%	77.8%	76.7%	72.9%	73.5% calc.	Five-year summary; H1 net loans divided by deposits
Savings plus current deposits	Group	381,361	317,582	285,992	291,066	332,486	346,877	Deposit product notes; H1 supplement
Casa ratio	Group calculated	76.0%	60.3%	53.4%	51.8%	54.5%	54.4%	Savings plus current divided by customer deposits
Net fee income	Group	3,524	3,091	3,384	4,168	4,898	5,398 TTM	Fee notes; FY2023 restated by FY2024 report; H1 supplement

KPI family	Granularity	FY2021	FY2022	FY2023	FY2024	FY2025	H1 or TTM 2026	Source
Wealth AUM	Wealth segment, SGD bn	291	297	365	426	488	516 at Q2	Annual operating review; Q2 press statement
Cost-to-income	Group normalized	45.6%	43.0%	39.9%	39.9%	40.4%	39% H1	Five-year summary; Q2 press statement
NPL ratio	Group	1.3%	1.1%	1.1%	1.1%	1.0%	1.0%	Five-year summary; H1 supplement
Allowances for credit and other losses	Group P&L charge	52	237	590	622	791	303 H1	FY2025 five-year summary; H1 supplement
Specific allowance credit cost	Group, average loans	12 bp	8 bp	11 bp	13 bp	19 bp	15 bp H1	Annual CFO statements; Q2 press statement
Allowance coverage	Group NPA	116%	122%	128%	129%	130%	130%	Five-year summary; H1 supplement
CET1 ratio	Group reported	14.4%	14.6%	14.6%	17.0%	17.0%	16.6%	Five-year summary; H1 supplement
Tier 1 ratio	Group reported	15.1%	15.2%	15.3%	17.7%	17.0%	16.6%	Annual capital tables; H1 supplement
Total capital ratio	Group reported	17.0%	17.0%	16.1%	18.6%	17.9%	17.2%	Annual capital tables; H1 supplement
Risk-weighted assets	Group, SGD m	342,691	346,895	368,363	352,002	365,381	381,940	Annual capital tables; H1 supplement
Leverage ratio	Group reported	6.7%	6.4%	6.6%	6.7%	6.2%	5.8%	Annual reports; FY2025 and H1 performance summaries
Liquidity coverage ratio	Group reported	135%	140%	144%	147%	155%	142%	Annual CFO statements; FY2025 and H1 performance summaries
Net stable funding ratio	Group reported	123%	117%	118%	115%	117%	113%	Annual CFO statements; FY2025 and H1 performance summaries
ROE	Group normalized common	12.5%	15.0%	18.0%	18.0%	16.2%	17.5% H1	Five-year summary; Q2 press statement
Return on tangible equity	Group normalized common	13.8%	16.7%	20.0%	20.0%	17.8%	19.2% H1	FY2025 five-year summary; Q2 press statement
Ordinary shareholders' funds	Parent common, SGD m	55,134	54,495	59,673	66,394	68,867	70,166	Annual balance sheets, subtracting separately disclosed AT1 instruments; H1 supplement
Net book value per share	Parent-common basis, SGD	19.52	19.25	21.03	23.38	24.29	24.69	Five-year summary; H1 supplement
Tangible book value per share	Parent-common, SGD, calculated	17.62	17.36	18.81	21.14	22.06	22.48	Ordinary funds less gross goodwil l/intangibles, divided by end-period common shares; annual reports and H1 supplement
Dividend per share	Ordinary plus special or capital return, SGD	1.09	1.82	1.75	2.22	3.06	1.62 H1	Five-year summary; H1 supplement

H1 2026 directly disclosed average interest-bearing assets were SGD 758,758 million, not the annualized NII/NIM approximation used for the annual series. FY2025 and H1 2026 loan values in the table are net customer loans; gross loans

were SGD 450,916 million and SGD 475,238 million respectively. FY2024 onward reported capital ratios and RWA use the final Basel III reform transitional basis; the FY2023-to-FY2024 RWA change is therefore a regulatory-measurement boundary, not a clean balance-sheet contraction.

Current loan, credit, capital and liquidity inventory

Line	FY2025	H1 2026	Boundary or calculation	Official source
Gross customer loans	450,916	475,238	Before ECL allowances	FY2025 and H1 supplements
Consumer Banking / Wealth Management loans	135,158	139,635	Gross by business unit	H1 supplement
Institutional Banking loans	310,034	329,180	Gross by business unit	H1 supplement
Building and construction	111,925	116,133	Gross loan industry bucket; 24.4% of H1 gross loans	H1 supplement
Housing loans	84,012	84,776	Gross loan industry bucket; 17.8% of H1 gross loans	H1 supplement
Financial institutions, investment and holding companies	45,343	47,084	Gross loan industry bucket; 9.9% of H1 gross loans	H1 supplement
Total non-performing assets	4,843	4,764	NPL ratio 1.0% in both periods	H1 supplement
Total allowances	6,281	6,195	Includes Stage 1, Stage 2 and Stage 3	H1 supplement
H1 allowances for credit and other losses	Not applicable	303	Stage 3 charges 345 less Stage 1/2 writeback 42	H1 supplement
Specific allowance credit cost	19 bp FY2025	15 bp H1	H1 below through-cycle history; Q2 16 bp	Annual report; Q2 press statement
CET1 capital	62,195	63,516	Parent regulatory capital, not common book equity	H1 supplement
RWA	365,381	381,940	Basel transitional basis	H1 supplement
CET1 ratio, reported / fully phased	17.0% / 15.0%	16.6% / 14.6%	Output floor fully phased in 2029	H1 supplement
Tier 1 / total capital	17.0% / 17.9%	16.6% / 17.2%	Reported	H1 supplement and Pillar 3
Leverage ratio	6.2%	5.8%	Regulatory minimum 3.0%	FY2025 performance summary; H1 Pillar 3
LCR / NSFR	155% / 117%	142% / 113%	Both above 100% regulatory requirements	FY2025 and Q2 2026 performance summaries

DBS disclosed that its deposit beta rose progressively to 32% by year-end FY2022 in the FY2022 annual report. No comparable FY2021 or FY2023-FY2025 series, and no current H1 2026 beta, was found in the reviewed official materials; none was inferred. AOCI and HTM-sensitivity are not presented as one single management KPI; fair-value and cash-flow hedge reserves are disclosed in the financial statements, but a portable one-number HTM duration sensitivity is a true non-disclosure.

The following industry concentration series is on gross customer loans and therefore differs from the net customer-loan history above. It preserves the three largest or most decision-relevant disclosed buckets instead of inferring a commercial-real-estate subtotal across incompatible categories.

Gross customer loans by industry	FY2021	FY2022	FY2023	FY2024	FY2025	H1 2026	Official source
Gross customer loans	415,072	420,284	422,152	436,684	450,916	475,238	Annual credit-risk notes; H1 supplement
Building and construction	107,633	111,605	113,246	113,451	111,925	116,133	Annual credit-risk industry tables; H1 supplement
Housing loans	78,516	80,625	86,925	85,746	84,012	84,776	Annual credit-risk industry tables; H1 supplement
Financial institutions, investment and holding companies	37,289	39,485	35,786	39,641	45,343	47,084	Annual credit-risk industry tables; H1 supplement

1. Reporting structure and taxonomy

Current reportable segments are: Consumer Banking / Wealth Management, providing deposits, housing and other loans, cards, payments, investments and insurance to individuals; Institutional Banking, providing corporate and SME credit, cash management, trade finance, securities and fiduciary services, treasury products and investment banking; Markets Trading, reflecting Global Financial Markets structuring, market-making and trading; and Others, containing earnings on centrally deployed capital, non-core asset sales, associates and head-office items.

FY2025 reportable segment	FY2025 income	Share of group income	FY2025 PBT before CSR	Share of segment PBT sum	Modeling note
Consumer Banking/ Wealth Management	10,541	46.0%	4,542	34.7%	Wealth and consumer deposit franchise
Institutional Banking	8,906	38.9%	5,730	43.7%	Corporate and SME franchise
Markets Trading	1,374	6.0%	568	4.3%	Trading, not customer treasury sales
Others	2,079	9.1%	2,259	17.2%	Centrally managed items; margin not a franchise margin
Total or segment sum	22,900	100.0%	13,099	100.0%	Provision for CSR of 100 reconciles segment sum to statutory PBT of 12,999

DBS renamed Treasury Markets to Global Financial Markets in first-quarter 2024. Equity capital markets, DBS Vickers and DBS Digital Exchange customer income moved into the customer segments; Markets Trading retains structuring, market-making and trading and excludes customer sales. DBS also implemented a refined cost-allocation approach and moved DBS Vickers from Others to Institutional Banking. FY2023 comparatives were retrospectively restated in the FY2024 report. FY2021-FY2022 Treasury Markets and related Others data remain old-taxonomy context and are not directly comparable with FY2023 onward.

The five disclosed geographies are Singapore, Hong Kong, Rest of Greater China, South and Southeast Asia, and Rest of the World. Current H1 2026 income shares were 63%, 16%, 10%, 7% and 4% respectively.

Geographic income	FY2021	FY2022	FY2023 restated	FY2024	FY2025	H1 2026
Singapore	8,904	10,644	13,404	14,511	14,655	7,565
Hong Kong	2,480	2,923	3,214	3,388	3,524	1,950
Rest of Greater China	1,164	1,163	1,401	1,977	2,187	1,237
South and Southeast Asia	1,125	1,178	1,423	1,569	1,698	815
Rest of the World	515	594	738	852	836	474
Total	14,188	16,502	20,180	22,297	22,900	12,041

Geographic PBT on disclosed annual operating-review basis	FY2021	FY2022	FY2023 restated	FY2024	FY2025	H1 2026
Singapore	5,168	6,613	8,369	9,392	9,205	4,662
Hong Kong	1,416	1,730	1,874	1,910	1,895	1,225
Rest of Greater China	457	385	459	624	928	634
South and Southeast Asia	264	281	425	454	522	315
Rest of the World	475	373	612	627	549	380
Segment sum	7,780	9,382	11,739	13,007	13,099	7,216

The geographic PBT table follows each period's disclosed annual operating-review basis. FY2023-FY2025 exclude CSR and specified integration items and match the current segment-context basis; FY2022 has no such adjustment. FY2021 is old-taxonomy statutory context and includes the net SGD 4 million effect of the SGD 104 million acquisition gain and SGD 100 million CSR provision. Section 2 separately retains statutory PBT for every year. This distinction prevents normalized current-taxonomy totals from being mislabeled statutory or extended across the FY2021 boundary.

2. Consolidated historicals

For a bank, DBS total income is the appropriate top line. FMP's live generic revenue was SGD 37,892 million for FY2025 versus official DBS total income of SGD 22,900 million, a SGD 14,992 million classification gap. FMP nevertheless tied FY2025 PBT and parent net profit exactly. Official DBS statutory labels control.

Metric	FY2021	FY2022	FY2023	FY2024	FY2025	Source
Total income	14,188	16,502	20,180	22,297	22,900	DBS five-year summary
Statutory PBT or governed bank endpoint	7,780	9,382	11,486	12,884	12,999	DBS audited statements
PBT margin on total income	54.8%	56.9%	56.9%	57.8%	56.8%	Calculated
Parent-attributable reported net profit	6,805	8,193	10,062	11,289	10,933	DBS five-year summary
Diluted EPS, SGD	2.38	2.86	3.52	3.94	3.82	DBS five-year summary; split-adjusted
Diluted weighted shares, million	2,819 calc.	2,830 calc.	2,836 calc.	2,846	2,850	Annual EPS notes; FY2021-FY2023 multiplied by 1.1 for the 2024 bonus issue
Capex	567	669	718	916	525	Purchases of properties and other fixed assets
Operating cash flow	7,731	2,769	5,409	15,341	11,024	Latest official comparative cash-flow statements
Generic FCF	7,164	2,100	4,691	14,425	10,499	Operating cash flow less capex
ROE	12.5%	15.0%	18.0%	18.0%	16.2%	DBS normalized common ROE
ROIC	Not meaningful	Not meaningful	Not meaningful	Not meaningful	Not meaningful	Bank funding is an operating input; use common ROE and capital ratios

The standard industrial-company ROIC formula is NOPAT divided by debt plus equity less excess cash. It is not applied because deposits, wholesale funding, liquidity assets and regulatory capital are operating assets and liabilities for a bank; subtracting cash or treating deposits as financing produces a misleading denominator. The decision-useful replacement is parent-common ROE, corroborated with CET1, RWA, leverage, liquidity and credit-cost measures. Generic operating cash flow and FCF are preserved as statutory cash-flow facts but are not used as distributable bank earnings.

3. Segment historicals

The exact common profit measure carried into the sealed bridge is **Profit before tax**. FY2023-FY2025 use the annual operating-review basis before CSR and disclosed one-time integration items and are current-taxonomy comparable. FY2022 has no such adjustment. FY2021-FY2022 retain the old Treasury Markets boundary, and FY2021 segment PBT is statutory context including the net SGD 4 million effect of the acquisition gain and CSR provision.

Consumer Banking/ Wealth Management	FY2021	FY2022	FY2023 restated	FY2024	FY2025	Source
Total income	5,322	6,654	8,957	10,155	10,541	Annual business-unit tables
YoY	Not shown	25.0%	34.6%	13.4%	3.8%	Calculated
Profit before tax	1,923	2,693	4,060	4,437	4,542	Annual business-unit tables
Margin on Profit before tax	36.1%	40.5%	45.3%	43.7%	43.1%	Calculated

Institutional Banking	FY2021	FY2022	FY2023 restated	FY2024	FY2025	Source
Total income	5,984	7,688	9,388	9,159	8,906	Annual business-unit tables
YoY	Not shown	28.5%	22.1%	(2.4%)	(2.8%)	Calculated
Profit before tax	3,757	5,638	6,634	6,350	5,730	Annual business-unit tables
Margin on Profit before tax	62.8%	73.3%	70.7%	69.3%	64.3%	Calculated

Markets trading context	FY2021 old	FY2022 old	FY2023 restated	FY2024	FY2025	Source
Total income	1,509	1,174	725	922	1,374	Treasury Markets in FY2021-FY2022; Markets Trading thereafter
YoY	Not shown	(22.2%)	Boundary	27.2%	49.0%	Calculated where comparable
Profit before tax	867	569	45	185	568	Annual business-unit tables
Margin on Profit before tax	57.5%	48.5%	6.2%	20.1%	41.3%	Calculated; FY2023 onward current taxonomy

Others	FY2021 old	FY2022 old	FY2023 restated	FY2024	FY2025	Source
Total income	1,373	986	1,110	2,061	2,079	Annual business-unit tables
YoY	Not shown	(28.2%)	Boundary	85.7%	0.9%	Calculated where comparable
Profit before tax	1,233	482	1,000	2,035	2,259	Annual operating-review tables
Margin on Profit before tax	89.8%	48.9%	90.1%	98.7%	108.7%	Centrally managed items; not a standalone operating margin

The current-taxonomy FY2023 restatement altered cost allocations and the location of DBS Vickers but did not change group total income, expenses or net profit. The FY2021-FY2022 values are retained for scale and cyclicality only. Downstream segment models should calibrate current taxonomy from FY2023 and avoid joining old Treasury Markets growth mechanically to Markets Trading.

3a. Historical statutory-profit bridge and forecast-driver ledger

Sealed statutory packet: `C:\Users\Admin\OneDrive\GPT\ER 2.0\DBS Group Holdings Ltd\statutory_bridge.json` QFR-sealed SHA-256: `d413769b9f8870e27014bb468dc0c62b77b8a75a6f1b97e0fa2b32aec7097e40` Common segment profit basis: `Profit before tax` Reporting currency and scale: SGD millions

DBS is a bank and does not disclose a manufacturing-style operating-income subtotal. In the sealed governed bank presentation, the exact additive statutory operating-income endpoint equals statutory PBT. The below-line array is empty. Tax and NCI remain separate from parent-common earnings.

FY2025 sealed bridge

Bridge line	Classification	Value	Source ID	Running subtotal
Consumer Banking/ Wealth Management	segment profit	4,542	DBS_FY2025_SUPPL	4,542
Institutional Banking	segment profit	5,730	DBS_FY2025_SUPPL	10,272
Markets Trading	segment profit	568	DBS_FY2025_SUPPL	10,840
Others	segment profit	2,259	DBS_FY2025_SUPPL	13,099
Sum of reportable segment profit	segment profit	13,099	DBS_FY2025_SUPPL	13,099
Provision for CSR	corporate_unallocated	(100)	DBS_FY2025_SUPPL	12,999
Consolidated segment profit metric	subtotal	12,999	DBS_FY2025_SUPPL	12,999
Statutory operating income	statutory subtotal	12,999	DBS_FY2025_SUPPL	12,999
Pretax income	statutory subtotal	12,999	DBS_FY2025_SUPPL	12,999
Income tax expense	tax	(2,065)	DBS_FY2025_SUPPL	10,934
Net profit attributable to non-controlling interests	noncontrolling_interests	(1)	DBS_FY2025_SUPPL	10,933
Net income	statutory subtotal	10,933	DBS_FY2025_SUPPL	10,933

TTM ended 2026-06-30 sealed bridge

Bridge line	Classification	Value	Source ID	Running subtotal
Consumer Banking/ Wealth Management	segment profit	4,781	DBS_H1_2026_SUPPL	4,781
Institutional Banking	segment profit	5,619	DBS_H1_2026_SUPPL	10,400
Markets Trading	segment profit	623	DBS_H1_2026_SUPPL	11,023
Others	segment profit	2,467	DBS_H1_2026_SUPPL	13,490
Sum of reportable segment profit	segment profit	13,490	DBS_H1_2026_SUPPL	13,490
Provision for CSR	corporate_unallocated	(100)	DBS_H1_2026_SUPPL	13,390
Consolidated segment profit metric	subtotal	13,390	DBS_H1_2026_SUPPL	13,390
Statutory operating income	statutory subtotal	13,390	DBS_H1_2026_SUPPL	13,390
Pretax income	statutory subtotal	13,390	DBS_H1_2026_SUPPL	13,390
Income tax expense	tax	(2,167)	DBS_H1_2026_SUPPL	11,223
Net profit attributable to non-controlling interests	noncontrolling_interests	(2)	DBS_H1_2026_SUPPL	11,221
Net income	statutory subtotal	11,221	DBS_H1_2026_SUPPL	11,221

Repaired TTM component bases

Exact issuer line	H2 2025 income	H1 2026 income	TTM income	H2 2025 PBT	H1 2026 PBT	TTM PBT
Consumer Banking/ Wealth Management	5,257	5,523	10,780	2,145	2,636	4,781
Institutional Banking	4,400	4,538	8,938	2,641	2,978	5,619
Markets Trading	593	858	1,451	175	448	623
Others	1,013	1,122	2,135	1,313	1,154	2,467
Segment sum before CSR	11,263	12,041	23,304	6,274	7,216	13,490
Provision for CSR	Not an income adjustment	Not an income adjustment	Not an income adjustment	(100)	0	(100)
Statutory PBT	11,263 total income	12,041 total income	23,304 total income	6,174	7,216	13,390

The repaired bases establish that the TTM components are H2 2025 plus H1 2026, identical to FY2025 less H1 2025 plus H1 2026. CSR arises entirely in H2 2025. There is no H1 2026 CSR adjustment and no below-line plug.

Forecast-driver ledger

Historical bridge line	FY2025	TTM	Forecast treatment	Driver and source	Bear / base / bull rule
Consumer Banking/ Wealth Management Profit before tax	4,542	4,781	Independently forecast segment PBT	Income mix, NIM, wealth fees, expenses and allowances from official supplements	Bear: lower rates and fees; base: structural wealth offsets NII pressure; bull: stronger flows and operating leverage
Institutional Banking Profit before tax	5,730	5,619	Independently forecast segment PBT	Corporate loans, transaction services, treasury customer sales, expenses and credit cost	Bear: spread and credit pressure; base: loan and fee growth; bull: stronger Asian capital formation
Markets Trading Profit before tax	568	623	Independently forecast segment PBT	Trading income and expense; no customer-sales double count	Bear: normalization; base: mid-cycle; bull: constructive volatility
Others Profit before tax	2,259	2,467	Independently forecast central PBT	Capital deployment, associates and centrally managed items	Bear: lower asset yields; base: normalized capital income; bull: favorable reinvestment and associates
Provision for CSR	(100)	(100)	Fixed annual amount until source-bound cessation	DBS ten-year commitment of up to SGD 100 million annually; annual report	Bear/base/bull: (100) annually while commitment remains; do not set to zero without cessation evidence
Income tax expense	(2,065)	(2,167)	Tax-rate schedule applied to statutory PBT	Effective rates 15.9% FY2025 and 16.2% TTM; global minimum tax is current	Bear/base/bull: higher / central / lower sustainable effective rate, each explicit

Historical bridge line	FY2025	TTM	Forecast treatment	Driver and source	Bear / base / bull rule
Net profit attributable to non-controlling interests	(1)	(2)	Separately forecast NCI	Direct statutory line; immaterial but not zeroed by convention	Bear/base/bull: small negative range; never fold into tax
Parent-attributable common earnings	10,933	11,221	Residual after CSR, tax and NCI	Exact statutory bridge	Must equal segment PBT sum plus CSR less tax and NCI in every scenario

STATUTORY_BRIDGE_STATUS: VERIFIED — CLEARED FOR FORECASTING

4. Product and sub-segment historicals

DBS does not provide dollar revenue by retail product inside each reportable segment. It does separately disclose group fee categories and wealth AUM. Customer treasury sales are reflected in Consumer Banking / Wealth Management and Institutional Banking; Markets Trading excludes those customer sales. The following dollars are issuer-disclosed and must not be reallocated to segments without a separate source.

Segment	Product or activity	What it is	Dollar disclosure?	FY2021 / FY2022 / FY2023 / FY2024 / FY2025 / TTM 2026
Group, customer segments	Net interest income	Spread income across loans, deposits, securities and hedging	Yes, group only	8,440 / 10,941 / 13,642 / 14,424 / 14,500 / 14,246
Group fee pool	Investment banking fees	Debt, equity and advisory fees	Yes, group only	218 / 121 / 125 / 101 / 146 / 169
Group fee pool	Transaction services fees	Trade, remittances, guarantees and deposit-related fees	Yes, group only	925 / 929 / 896 / 918 / 942 / 988
Group fee pool	Loan-related fees	Lending and facility-related fees	Yes, group only	413 / 459 / 554 / 644 / 733 / 709
Group fee pool	Card fees	Net of interchange fees paid	Yes, group only	715 / 858 / 1,044 / 1,240 / 1,225 / 1,236
Consumer Banking / Wealth Management context	Wealth management fees	Investment and insurance distribution and advisory	Yes, group category	1,786 / 1,330 / 1,505 / 2,183 / 2,814 / 3,267
Consumer Banking / Wealth Management	Wealth AUM, SGD bn	Treasures, Treasures Private Client and Private Bank	Yes, period-end KPI	291 / 297 / 365 / 426 / 488 / 516 at Q2 2026
Consumer Banking / Wealth Management	Deposits, mortgages, cards, payments, investments and insurance	Product activity described in segment note	No product revenue split	True non-disclosure after annual and interim segment-note search
Institutional Banking	Credit, cash management, trade finance, securities and fiduciary services	Product activity described in segment note	No product revenue split	True non-disclosure after annual and interim segment-note search
Markets Trading	Structuring, market-making and trading	Global Financial Markets trading perimeter	Yes only as segment income	FY2025 1,374; TTM 1,451

TTM fee categories equal H2 2025 plus H1 2026 from the live H1 supplement. No category was back-solved from a growth rate. Wealth AUM is a stock and is not added across periods.

Product or KPI	Disclosure method	Recent disclosed growth	Source
Q2 2026 net fee income	Dollar and YoY	SGD 1,460 million; up 25%	Q2 press statement dated 2026-08-06
Q2 2026 wealth fees	Dollar and YoY	SGD 919 million; up 42%	Q2 press statement dated 2026-08-06
Q2 2026 Wealth AUM	Dollar stock and constant-currency YoY	SGD 516 billion; up 16%	Q2 press statement dated 2026-08-06
Q2 2026 Markets Trading income	Dollar and YoY	SGD 469 million; up 12%	Q2 press statement dated 2026-08-06
Q1 2026 net fee income	Dollar and YoY	SGD 1,482 million; up 16%	Q1 update dated 2026-04-30
Q1 2026 wealth fees	Dollar	SGD 907 million; record; growth not separately stated in release excerpt	Q1 update dated 2026-04-30
Q3 2025 net fee income	Dollar and YoY	SGD 1,357 million; up 22%	Q3 update dated 2025-11-06
Q3 2025 wealth fees	Dollar and YoY	SGD 796 million; up 31%	Q3 update dated 2025-11-06

5. Most recent quarterly trend

DBS fiscal year ends 12-31. Most recently completed fiscal quarter at time of writing: FY2026 Q2, covering April-June 2026, reported on 2026-08-06 via the [Q2 2026 press statement](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2026/2Q26_press_statement.pdf).

Quarter	Total income	YoY	PBT	Parent net profit	Cost-income	Source
Q3 2025	5,932	Record quarter; 9M income up 5%	3,476	2,954	40%	Q3 update dated 2025-11-06
Q4 2025	5,331	FY income up 3%; quarter NII down 4%	2,698	2,258 reported	44.5%	FY2025 performance summary dated 2026-02-09
Q1 2026	5,948	Up 1%	3,512	2,930	38.7%	Q1 update dated 2026-04-30
Q2 2026	6,093	Up 6%	3,704	3,079	38.5%	Q2 press statement dated 2026-08-06

Standalone-quarter reportable-segment income and PBT are not provided in the reviewed updates on a consistent four-quarter basis. The clean official trend is half-year.

Segment	H1 2025 income	H2 2025 income	H1 2026 income	H1 YoY	H1 2025 PBT	H2 2025 PBT	H1 2026 PBT
Consumer Banking/ Wealth Management	5,284	5,257	5,523	4.5%	2,397	2,145	2,636
Institutional Banking	4,506	4,400	4,538	0.7%	3,089	2,641	2,978
Markets Trading	781	593	858	9.9%	393	175	448
Others	1,066	1,013	1,122	5.3%	946	1,313	1,154
Segment sum before CSR	11,637	11,263	12,041	3.5%	6,825	6,274	7,216

Self-checks performed live in this D run: the largest segment's latest disclosed trend, Consumer Banking / Wealth Management H1 income up 5% rounded to SGD 5.52 billion, appears in the Q2 press statement; the selected CEO quote in Section 6 appears in the same 2026-08-06 press statement; and FMP's live FY2025 generic revenue row of SGD 37,892 million does **not** tie within 1% to DBS total income of SGD 22,900 million. The SGD 14,992 million provider-classification mismatch is preserved, while FMP PBT and net income tie exactly. Official DBS total income controls under the foreign-issuer bank override.

6. Management commentary on forward growth

Quotes are verbatim and were fetched live from current DBS sources. They are grouped by modeling topic because customer treasury sales span Consumer Banking / Wealth Management and Institutional Banking, while Markets Trading is deliberately separated.

Group, Consumer Banking / Wealth Management and wealth

- Q2 FY2026, 2026-08-06, Tan Su Shan, CEO, press statement: “While the macroeconomic environment continues to evolve, our strong balance sheet, sound asset quality, healthy allowance reserves and capital position leave us well placed to capture growth opportunities and continue delivering sustainable shareholder returns.” This supports resilience, not a numerical growth guarantee. Source: [Q2 press statement](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2026/2Q26_press_statement.pdf).
- Q2 FY2026, 2026-08-06, Tan Su Shan, CEO, analyst call: “The $1 trillion is optimistic, but not unrealistic.” The target includes wealth and retail AUM by end-2030; the call identified roughly SGD 680 billion combined current AUM. Source: [Q2 analyst transcript](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2026/2Q26_analyst_transcript.pdf).
- Q2 FY2026, 2026-08-06, Tan Su Shan, CEO, analyst call: “Net new money has been contributing about 8% growth for the wealth segment.” This is a flow contribution description, not a guaranteed AUM CAGR. Source: Q2 analyst transcript.
- Q2 FY2026, 2026-08-06, Tan Su Shan, CEO, media briefing: “We are raising our guidance for commercial book non-interest income growth to the mid-teens, as wealth management is firing on all cylinders.” This is the strongest current fee-income anchor. Source: [Q2 media transcript](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2026/2Q26_media_transcript.pdf).

- Q2 FY2026, 2026-08-06, Tan Su Shan, CEO, media briefing: “Our total income should exceed last year's level despite the significant decline in interest rates, particularly in Singapore.” Management assumed Sora at about 1.2% for the remainder of 2026 and added: “For the first half, group net interest income was down 3%, but we believe we can narrow that gap for the full year as rates stabilise.” These are the controlling current FY2026 total-income and NII anchors, superseding the more cautious FY2025 year-end framing. Source: Q2 media transcript.
- Q2 FY2026, 2026-08-06, Tan Su Shan, CEO, media briefing: “Deposit growth should be in the high single digits.” Management also said: “We are assuming specific allowances within 17 to 20 basis points.” These are explicit current driver ranges, not guarantees. Source: Q2 media transcript.
- Q2 FY2026, 2026-08-06, Tan Su Shan, CEO, media briefing: “We want to keep our cost-income ratio in the low 40s.” Current performance around 39%-40% is better than that boundary; downstream margins should not assume indefinite sub-40% without productivity evidence. Source: Q2 media transcript.
- Q1 FY2026, 2026-04-30, Tan Su Shan, CEO, analyst call: “We want to have more Casa. While it raises our NII sensitivity, it helps our absolute NII, which is why we keep saying, look at NII, not NIM.” This directly supports an absolute-NII model rather than mechanically extrapolating NIM. Source: [Q1 analyst transcript](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2026/1Q26_analyst_transcript.pdf).
- Q1 FY2026, 2026-04-30, Chng Sok Hui, CFO, analyst call: “That is why we can maintain our guidance for NII to be slightly below last year's level.” The statement followed higher deposit-growth guidance and a 1.0%-1.2% deployment return assumption. Source: Q1 analyst transcript.
- Q1 FY2026, 2026-04-30, Tan Su Shan, CEO, analyst call: “I do believe that we can because continued wealth generation in Asia is a macro trend.” This addressed whether recent net new money could be sustained; it is a qualitative conviction, not a fixed forecast. Source: Q1 analyst transcript.
- Q4 FY2025, 2026-02-09, Shee Tse Koon, Group Head of Consumer Banking / Wealth Management, analyst call: “We expect net new money to at least repeat what we have achieved in 2025.” This is a direct flow anchor, with market and execution risk. Source: [Q4 analyst transcript](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2025/4Q25_analyst_transcript.pdf).
- Q4 FY2025, 2026-02-09, Chng Sok Hui, CFO, analyst call: “Going forward, our ordinary dividend will depend on how we perform as our ordinary dividend is funded by our financial performance.” Do not capitalize a mechanical annual step-up indefinitely. Source: Q4 analyst transcript.
- Q3 FY2025, 2025-11-06, Tan Su Shan, CEO, analyst call: “In 2026, we expect non-trade corporate loans to grow in the mid-single digits.” The call linked the outlook to technology, data centres, infrastructure, renewables, housing and wealth loans. Source: [Q3 analyst transcript](https://www.dbs.com/iwov-resources/images/investors/quarterly-financials/2025/3Q25_analyst_transcript.pdf).
- Q3 FY2025, 2025-11-06, Philip Fernandez, Group Corporate Treasurer, analyst call: “The NIM might get diluted, but it is NII accretive and it’s ROE accretive.” This confirms that surplus-deposit deployment can lower NIM while raising absolute earnings. Source: Q3 analyst transcript.

Institutional Banking and Markets Trading

- Q2 FY2026, 2026-08-06, Tan Su Shan, CEO, analyst call: “Both IBG and CBG (Consumer Banking / Wealth Management) have seen very strong banca sales as well.” This supports cross-segment insurance distribution but does not disclose a segment dollar split. Source: Q2 analyst transcript.
- Q2 FY2026, 2026-08-06, Tan Su Shan, CEO, analyst call: “For us, it is just one tool in the capital management toolbox.” This referred to synthetic risk transfer alongside loan sell-down and syndication; it supports active RWA management rather than structural earnings. Source: Q2 analyst transcript.
- Q4 FY2025, 2026-02-09, Tan Su Shan, CEO, analyst call: “We expect both Taiwan and India to contribute more in terms of net profit this year.” This is a geography and franchise anchor, not a disclosed segment forecast. Source: Q4 analyst transcript.

- Q4 FY2025, 2026-02-09, Tan Su Shan, CEO, analyst call: “January's momentum was very strong. Early Feb was not bad, but it is notoriously hard to predict trading, so I cannot give you any guidance.” Markets Trading should therefore be modeled with conservative cycle ranges, not a management target. Source: Q4 analyst transcript.
- Q3 FY2025, 2025-11-06, Tan Su Shan, CEO, analyst call: “We see structural growth in areas such as tech and data centres, so TMT will remain strong.” This supports Institutional Banking loan opportunity but must be constrained by credit selection and returns. Source: Q3 analyst transcript.

No separate recent investor-day transcript was found in the current quarterly source page. The 2023 Investor Day targets are referenced in current calls, but stale verbatim quotes were not reused. That is classified as a true absence from the fetched current source set, not as management silence on the strategic topics.

7. Capital allocation history

Year	Capex	Capex / total income	R&D	Buybacks	Dividends paid	M&A and associate cash outlay	Source
FY2021	567	4.0%	Not separately disclosed	16 employee-plan shares; program suspended	2,392	1,108	FY2021 cash flow and capital-management note
FY2022	669	4.1%	Not separately disclosed	11 employee-plan shares	3,789	114	FY2022 cash flow
FY2023	718	3.6%	Not separately disclosed	20 employee-plan shares	6,013	Net cash inflow from Citi Taiwan; 124 associate outlay	FY2023 cash flow
FY2024	916	4.1%	Not separately disclosed	213 treasury shares; cancellation program nil at year-end	6,083	669 including associate and NCI stake outlays	FY2024 cash flow and buyback note
FY2025	525	2.3%	Not separately disclosed	397 total; 371 cancelled plus 26 treasury	8,151	426	FY2025 cash flow and capital note

The FY2025 capital return dividend was SGD 0.60 per share within total dividends per share of SGD 3.06. H1 2026 declared dividends were SGD 1.62 per share, comprising SGD 1.32 ordinary and SGD 0.30 capital return. The SGD 3 billion cancellation buyback and SGD 5 billion Capital Return dividend framework are excess-capital actions, not evidence that capital returns continue perpetually.

8. Balance sheet snapshot at FY2025

Item	SGD bn	Source and treatment
Cash and cash equivalents	46.382	DBS statutory cash-flow definition; FMP 149.725 is a non-comparable bank classification
High-quality liquid assets	208	Annual report operating review; not called short-term investments
Gross debt excluding leases	79.551	Other debt securities plus subordinated debt
Net debt excluding leases	33.169	Gross debt less statutory cash; descriptive only for a bank
Net debt / EBITDA	Not meaningful	Deposits and wholesale funding are operating inputs; EBITDA is not the bank endpoint
Goodwill and intangible assets	6.314	Audited segment note
Parent ordinary shareholders' funds	68.867	Excludes NCI; do not substitute total equity
Tangible parent-common book value	62.553 calc.	Parent ordinary funds less goodwill and intangibles
Tangible book value per share	22.06 calc.	SGD 62,553 million divided by 2,836 million year-end shares
Total equity including NCI	Not used as parent common	NCI is separately identified in the statutory bridge

At H1 2026, parent ordinary shareholders' funds were SGD 70,166 million, NCI was SGD 51 million and total equity was SGD 70,217 million. Gross goodwill and intangible assets were SGD 6,290 million, giving simple tangible parent-common book value of SGD 63,876 million and TBVPS of SGD 22.48 on 2,842 million period-end shares. The parent-common denominator is 2,842 million period-end shares for reported net book value or 2,850 million diluted weighted shares for earnings; these

bases must not be interchanged.

9. Recent corporate actions

- 2026-08-06: DBS disclosed completion of its inaugural synthetic securitisation transaction, expanding its RWA and credit-risk management toolkit. Source: Q2 press statement.
- 2026-08-06: The Board declared SGD 0.66 ordinary and SGD 0.15 Capital Return dividends for Q2 2026. First-half declared amounts were SGD 1.32 and SGD 0.30 respectively. Source: Q2 press statement and H1 supplement.
- FY2025: DBS repurchased and cancelled 8 million shares for SGD 371 million under the SGD 3 billion program and spent another SGD 26 million on treasury shares. Source: FY2025 annual report.
- 2026-02-09: Management said only about 12% of the cancellation program had been used and reiterated that unused excess-capital capacity could be returned through another mechanism, subject to Board decisions. Source: Q4 analyst transcript.
- No material acquisition, divestiture, CEO/CFO change, restatement, large legal settlement or new regulatory sanction was identified in the live DBS quarterly source set for the 12 months ended 2026-08-26. Tan Su Shan's CEO succession occurred on 2025-03-28, outside this 12-month window.

10. Open data gaps and taxonomy flags

- `True non-disclosure`: Standalone product revenue within Consumer Banking / Wealth Management and Institutional Banking is not disclosed. Sources checked: FY2021-FY2025 annual segment notes and H1 2026 supplement. Terms: deposits, mortgages, cards, payments, investment, insurance, cash management, trade finance, loan-related, securities and fiduciary services.
- `True non-disclosure`: Standalone-quarter reportable-segment income and PBT for all of Q3 2025, Q4 2025, Q1 2026 and Q2 2026 are not presented as one clean four-quarter series. Half-year component tables are included instead.
- `Partial disclosure`: The FY2022 annual report disclosed a 32% year-end deposit beta. No comparable FY2021 or FY2023-FY2025 series, and no current H1 2026 beta, was found; no missing periods were inferred.
- `True non-disclosure`: R&D is not a separately disclosed bank expense. Technology spending appears within computerisation and staff expenses; it was not relabeled R&D.
- `True non-disclosure`: A single portable AOCI/HTM duration sensitivity is not disclosed. Fair-value, hedge and reserve tables exist, but no analyst-created aggregate was inserted.
- `Estimated`: FY2021-FY2025 average interest-bearing assets in Section 0a are NII divided by NIM. H1 2026 is directly disclosed and therefore not estimated.
- `Estimated`: FY2021-FY2023 split-adjusted diluted share counts apply the 1-for-10 2024 bonus issue factor to the original weighted shares. The annual report explicitly requires retrospective adjustment.
- `Not applicable`: Industrial ROIC, EBITDA, net-debt/EBITDA and generic FCF are not primary bank valuation metrics. Common ROE, parent-common book, CET1, RWA, leverage, LCR, NSFR and credit costs control.
- `Taxonomy flag`: FY2021-FY2022 use Treasury Markets. FY2023 was retrospectively restated into Markets Trading, refined cost allocations and DBS Vickers in Institutional Banking. Current-taxonomy segment forecasting begins in FY2023.
- `Taxonomy flag`: Customer treasury sales reside in Consumer Banking / Wealth Management and Institutional Banking; Markets Trading excludes customer sales. Do not add treasury customer sales to Markets Trading income.
- `Provider mismatch`: Live FMP FY2025 generic revenue of SGD 37,892 million exceeds official total income by SGD 14,992 million; FMP cash equivalents of SGD 149,725 million exceed official statutory cash by SGD 103,343 million; FMP operating cash flow of SGD 12,686 million exceeds official by SGD 1,662 million. Official DBS labels control and the contrary FMP evidence is retained.

- `Parent-common perimeter`: H1 2026 ordinary shareholders' funds are SGD 70,166 million. NCI of SGD 51 million and total equity of SGD 70,217 million are not parent-common book. Diluted weighted shares of 2,850 million and end-period shares of 2,842 million serve different purposes.
- `No statutory gap`: The FY2025 and TTM segment-PBT bridges have zero residual across segment sum, CSR, governed bank endpoint, pretax, tax, NCI and parent earnings. The sealed packet remains unchanged.

Source and self-verification register

Verification	Live result	Status
Largest segment latest trend	CBWM H1 2026 income SGD 5.52 billion, up 5% rounded, appears in Q2 press statement	PASS
Load-bearing management quote	CEO balance-sheet and sustainable-return quote appears verbatim in 2026-08-06 Q2 press statement	PASS
Latest FY FMP top line	FMP 37,892 versus official total income 22,900; 65.5% provider gap	FAIL as provider tie; PASS under documented official bank override
FY2025 PBT and parent net	FMP and official both 12,999 and 10,933	PASS
FMP product and geographic endpoints	Annual and quarterly arrays all empty	PASS as observed result; official DBS tables substituted
Sealed statutory packet	SHA-256 `d413769b9f8870e27014bb468dc0c62b77b8a75a6f1b97e0fa2b32aec7097e40`; zero residuals	PASS

This package makes no forecast verdict, trade, broker instruction, ranking, sizing, BUY queue, portfolio mutation or Pulse publication decision.